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# ***Daily Report***

## **China**

FBIS-CHI-92-113  
Thursday  
11 June 1992

# Daily Report

## China

FBIS-CHI-92-113

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11 June 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly Press Conference

#### On Japanese Troops Abroad

OW1106085592 Beijing XINHUA in English  
0848 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—A Chinese Foreign Ministry spokesman expressed the hope here today that the Japanese Government should be prudent in considering sending troops abroad.

The spokesman, Wu Jianmin, said at a weekly press conference here today the Chinese side "has always hoped that the Japanese Government will act with prudence on this matter".

"Due to historical reasons, Japan's sending troops abroad is a very sensitive issue," Wu added.

Asked whether the Chinese side would make a complaint or discuss the issue with the Japanese Government, Wu said that the Japanese Government "well knows the Chinese Government's position on this issue."

Wu did not explain what action is "prudent". He just said, "prudent is prudent."

"The Japanese Government will understand what the Chinese side means," Wu added.

#### No Change to Hong Kong Airport Pact

OW1106102292 Beijing XINHUA in English  
1015 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that it is not necessary to revise the Sino-British memorandum of understanding on the construction of a new airport in Hong Kong.

When asked whether the document will be revised at a press conference here this afternoon, Wu Jianmin, the spokesman, said this is a very good document, which was just signed last September.

"We don't think that it is necessary to make some revision on the document," he added.

On the recent visit by Hong Kong Governor David Wilson, the spokesman said Chinese Premier Li Peng and leading members of the relevant Chinese departments met him on separate occasions in Beijing.

The two sides reaffirmed that they would strengthen consultations and cooperation in the spirit of the Sino-British Joint Declaration on the issue of Hong Kong and the memorandum of understanding on the construction of the new airport so as to ensure a stable transition and a smooth transfer of power in 1997 in Hong Kong and maintain its long-term prosperity and stability.

To this end, he said the development of the political system in Hong Kong during the transitional period should converge with the basic law.

#### Li Peng, Major To Confer in Rio

OW1106083192 Beijing XINHUA in English  
0826 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—Foreign Ministry spokesman Wu Jianmin confirmed here today that Chinese Premier Li Peng is to meet with British Prime Minister John Major during the Earth Summit in Rio de Janeiro.

At a weekly press conference here this afternoon, the spokesman said that Li and Major will mainly discuss issues concerning the global environment, the further development of the bilateral relations and the increase of consultations and co-operation on the issue of Hong Kong.

#### On U.S. Stand at Rio Summit

OW1106084992 Beijing XINHUA in English  
0844 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—China expressed the hope today that the United States will listen to the voice of the international community in considering the convention of bio-diversity.

Chinese Foreign Ministry spokesman Wu Jianmin made the statement at a weekly press conference here this afternoon when he was asked to comment on the U.S. position on the convention of bio-diversity.

Many countries are now criticizing the U.S. for its position on the convention of bio-diversity.

Wu noted that the convention of bio-diversity is an important international environmental regulation formulated over years of negotiations by many countries in the world, including the United States.

The convention will be of great significance to the protection of animal and plant species on earth, as well as to the promotion of the development and prosperity of the human society, Wu added.

"We hope the United States will listen to the voice of the international community in setting its position (on this issue)," the spokesman said.

#### New Thai Prime Minister Greeted

OW1106082192 Beijing XINHUA in English  
0814 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—A Chinese Foreign Ministry spokesman said here today China hopes that Sino-Thai friendly and cooperative relations would continue to develop during the tenure of new Prime Minister of Thailand Anan Panyarachun.

The spokesman was commenting on the appointment of the new Thai prime minister.

"We extend our congratulations to Mr. Anan Panyarachun on his resumption of the post of prime minister of Thailand," the spokesman said.

"We hope that the friendly and cooperative relations between China and Thailand will continue to develop on the basis of the five-principles of peaceful co-existence," the spokesman said.

### **Cambodian Cease-fire Supported**

*OW1106092992 Beijing XINHUA in English  
0924 GMT 11 Jun 92*

[Text] Beijing, June 11 (XINHUA)—China supports the efforts of the Supreme National Council (SNC) of Cambodia and the United Nations Transitional Authorities in Cambodia (UNTAC) for carrying out, as scheduled, the second-phase of the ceasefire.

Foreign Ministry Spokesman Wu Jianmin gave this remark concerning Cambodian issue at a weekly press conference here this afternoon.

"We call on all the parties in Cambodia, under the leadership of Prince Sihanouk, to cooperate closely with the UNTAC with sincerity for the national reconciliation and comprehensive implementation of the Paris Agreement," Wu said.

As for some concrete problems and divergence of views that may arise in the course of the implementation, he added, it is incumbent on SNC and UNTAC to settle them properly through consultations on the basis of facts.

### **Bhutan Border Talks Scheduled**

*OW1106074292 Beijing XINHUA in English  
0734 GMT 11 Jun 92*

[Text] Beijing, June 11 (XINHUA)—The Chinese Government and the Government of the Kingdom of Bhutan have agreed that the eighth round of the boundary talks between China and Bhutan will be held in Beijing from June 18 to 22, a spokesman for the Chinese Foreign Ministry announced at a press conference here today.

### **Dalai Lama Report 'Distorted'**

*OW1106094492 Beijing XINHUA in English  
0937 GMT 11 Jun 92*

[Text] Beijing, June 11 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the so-called "report" by Dalai Lama's Office at a recent meeting is not worth commenting on.

At a weekly news conference here this afternoon, the spokesman, Wu Jianmin, said that this "report" is full of distortions of the real situation in Tibet.

He noted that Tibet has achieved progress in various fields, including environmental protection.

Wu said facts speak louder than words. The so-called "report" by Dalai Lama's Office is not worth commenting on.

### **Overseas Students Welcome Back**

*OW1106091792 Beijing XINHUA in English  
0908 GMT 11 Jun 92*

[Text] Beijing, June 11 (XINHUA)—Foreign Ministry Spokesman Wu Jianmin reiterated here today that it is a policy of the Chinese Government to welcome Chinese students studying abroad to come back and serve the constructions of the country.

"No matter what their political attitudes are, Chinese students abroad are welcome back to serve the constructions of their motherland," Wu said at a weekly press conference in response to a question concerning the Chinese Government's policy on students studying abroad.

Wu said Chinese students can come back to work in China for a long term or on a short term, and added that they are free to come and go.

"That is what we have said and also what we have done," he added.

According to the spokesman, more than 2,000 Chinese students studying in the United States have come back to take part in the constructions of the country.

### **Continuing Reportage on UNCED Rio Earth Summit**

#### **Song Jian, Strong Confer**

*OW1006175892 Beijing XINHUA Domestic Service  
in Chinese 0437 GMT 10 June 92*

[Text] Rio de Janeiro, 9 June (XINHUA)—Song Jian, head of the Chinese delegation to the UN Conference on Environment and Development [UNCED], met with UNCED Secretary General Maurice Strong in Rio de Janeiro today.

Delegation head Song Jian and Strong held talks on UNCED-related issues and had lunch together.

#### **Nation To Sign Two Treaties**

*OW1006165092 Beijing XINHUA in English  
1631 GMT 10 Jun 92*

[Text] Rio de Janeiro, June 10 (XINHUA)—China has decided to sign the U.N. conventions on climate change and biological diversity.

China's decision was announced by the Chinese delegation to the United Nations Conference on Environment and Development [UNCED] at Rio Centro here this morning.

The two documents, opened here for signature from June 4 and 5 respectively till June 14, will remain open for nations to sign for one year at the United Nations headquarters in New York.

#### Government Heads Awaited

OW0906224792 Beijing XINHUA in English  
2133 GMT 9 Jun 92

[Text] Rio de Janeiro, June 9 (XINHUA)—Seven of the heads of state and government who have promised to attend the Earth Summit are expected to arrive here first today.

Among them will be German Chancellor Helmut Kohl.

While Brazilian President Fernando Collor de Mello announced today that some 110 chief executives are expected to attend the summit, the newspaper "LIVE EARTH" reported that 74 chiefs of state have confirmed their readiness to arrive here between Tuesday and Friday.

British Prime Minister John Major and 12 other state or government leaders reportedly will get here tomorrow. Among them will be the chief executives from Kenya, Namibia, Jordan and Nicaragua, who will all fly here aboard private aircraft.

It was reported that the heads of state of Monaco, the Dominican Republic, Barbados, Marshall Islands, San Marino and Lithuania will be arriving here on commercial flights.

Thursday will see the arrival of 13 chiefs of state by military airplanes or other special flights.

For Friday the arrival is expected of 21 heads of state or government, including those from Japan, Mexico, Chile, Honduras, Bolivia, Uruguay and Spain.

U.S. President George Bush will arrive Thursday night, and his departure is expected on the afternoon of June 13.

The press here said today that Bush is going to "face history" in view of the United States' uncompromising position on the biodiversity convention and its passiveness regarding the necessary financial support for the implementation of "Agenda 21," a plan of actions for environmental protection and sustainable development throughout the world.

Next Sunday, 18 state and government leaders will be the first to take leave.

The shortest stay will be made by French President Francois Mitterrand, who will remain here for only a little more than eight hours, while the chief executive of Tanzania will make his stay the longest, since he will leave only next Tuesday.

#### Antidesertification Talks Falter

OW1106014792 Beijing XINHUA in English  
2352 GMT 10 Jun 92

[by Wang Chunrong]

[Text] Rio de Janeiro, June 10 (XINHUA)—The discussion on a possible convention to combat desertification was suspended at the main committee of the U.N. Environment Conference here today due to objections from some Northern countries.

In the general debate in the past three days, delegates from African countries have emphasized the alarming situation of desertification in many areas of their continent and called for the adoption of a global convention on desertification and drought.

Nevertheless, because of objection from Britain and several other industrialized countries, no consensus has been reached and the discussion was suspended temporarily at the main committee of the conference this afternoon, according to well-informed sources.

The same sources explained that one of the stumbling blocks that impeded an agreement was finance since all conventions of this nature require financial contributions to guarantee their application.

African delegates are reportedly making informal contacts to try to close the gap in positions.

The financial issue also constitutes a major obstacle that is impeding the discussion of other important documents such as "Agenda 21," a plan of actions on environmental problems.

According to delegates interviewed, once consensus is achieved on the text of the convention for combating desertification, there will be no problem for its approval at the summit meeting which will take place on June 12-14.

#### UNCED Chief Confident

OW1106002592 Beijing XINHUA in English  
2326 GMT 10 Jun 92

[Text] Rio de Janeiro, June 10 (XINHUA)—Maurice Strong, secretary-general of the Conference on Environment and Development (UNCED), said he was very encouraged at the progress that has been made and many of the difficult issues have now been agreed.

Strong made the remarks at a press briefing this afternoon at Riocentro, the UNCED venue.

On the key issue of finance, Strong said that the paper worked out on the issue "looks like a promising basis for agreement, but it is still being reviewed by important groups and delegations." "It looks to me hopeful and promising," he said.

"What is expected is not a series of checks to be written or even specifically denominated commitments such you

can add up to a particular figure, but rather a series of policy statements by governments," Strong said.

Most of the governments who are in the major donor category have made clear that their principle statements on finance would be made by their leaders at the summit session, he said.

About 115 heads of state and government are beginning to come to attend the summit sessions.

Compared with the Stockholm Human Environment Conference this is the first conference "truly global" and "universal," he said, it is not only in its composition, the representation by 180 governments, but also in terms of the outreach of people.

"People all over the world are getting their messages. They feel a sense of participation and involvement in what is going on here," he said.

People are recognizing that this is an event of main significance in the human community, Strong said.

Asked about the African demand for commitments to desertification, Strong said he strongly urged for a negotiation process on this issue.

Asked about nuclear weapons, Strong warned that the risk continues to be with us due to the nuclear capacity and its proliferation.

### EC Oil Tax Worrisome

OW1106014892 Beijing XINHUA in English  
2331 GMT 10 Jun 92

[By Wang Chunrong]

[Text] Rio de Janeiro, June 10 (XINHUA)—Concern is growing among Southern Hemisphere countries, especially oil exporters, about the European Community's decision to levy tax on petroleum it imports, despite assurances that this "would not be detrimental" to the Third World.

In order to reduce the gases from the petroleum that cause the greenhouse effect, the European Commission approved on Monday the creation of a 3-dollar/barrel tax on carbon dioxide and fossil fuel emissions.

According to calculations, this decision, if put into practice, will mean an annual loss of about 14 billion U.S. dollars in revenues for the Organization of Petroleum Exporting Countries (OPEC).

For independent oil-exporting countries like Mexico, the loss will also be considerable. Of greater concern to petroleum-exporting countries is the fact that if Europeans accept the proposal, other Northern Hemisphere countries which also import oil, such as Japan and Canada, could follow suit.

In his speech in yesterday's debate, the director-general of OPEC's international Fund for International Development, Seyyid Abdulai, warned that developed countries should not impose any more taxes on products from developing countries for environmental reasons.

Seyyid Abdulai advised industrialized countries to leave their selfishness to one side and reflect on the real conditions of developing countries.

According to data revealed here, OPEC members own three-fourths of the world's petroleum reserves already discovered and contribute close to 33 percent of the world's oil production.

On the other hand, Arnaldo Gabaldon, chief of the Venezuelan delegation, pointed out that "petroleum-producing countries such as Venezuela must have time to prepare themselves in order to confront these realities that are beyond their reach."

It is evident from this conference that Southern Hemisphere countries are concerned that industrialized countries may use the pretext of environmental protection to justify their protectionist practices, which would make it more difficult for Southern Hemisphere countries to sell their products on markets in Northern Hemisphere countries.

The chief of the Venezuelan delegation expressed regret that Southern Hemisphere countries "are at the mercy of industrialized countries" which are taking unilateral decisions on carbon dioxide emissions.

Argentina's secretary of state for natural resources and human environment, Maria Julia Alsogaray, affirmed in her speech during the general debate that her country "will denounce internationally any attempt to create new tariff-like restrictions disguised behind environmental excuses."

Other Southern Hemisphere delegates also expressed their concern about the European Community's decision.

### Bush Tells Baker To Step Up Pace of Arms Talks

OW1106045592 Beijing XINHUA in English  
0407 GMT 11 Jun 92

[Text] Washington, June 10 (XINHUA)—U.S. President George Bush today instructed Secretary of State James Baker to step up negotiations with Russia for a new agreement on the strategic arms reduction, the U.S. press reported.

Baker will stay in Washington instead of accompanying Bush to the Rio Earth Summit this week. A trip by Baker to Moscow in the next few days is not ruled out by U.S. officials.



The United States and Russia have hoped for reaching agreement on reduction of strategic arms beyond the level of START Treaty before Russian President Boris Yeltsin's visit on June 16.

But the hope dimmed when Baker and Russian Foreign Minister Andrey Kozyrev failed to work out such an agreement in their talks here Monday and Tuesday. The two sides reportedly have agreed to reduce strategic warheads to 4,700 each, but were deadlocked on which missiles to retire and how quickly.

Baker talked by telephone today with Kozyrev and will decide whether to take a trip to Moscow after talking again with the Russian foreign minister tomorrow, the reports said.

#### 'Roundup' Examines Talks

OW1006130192 Beijing XINHUA Domestic Service  
in Chinese 0818 GMT 10 Jun 92

["Roundup" by reporter Huang Yong (7806 0516): "Talks Between U.S. and Russian Foreign Ministers Yielded Limited Results"]

[Text] Washington, 9 June (XINHUA)—U.S. Secretary of State James Baker and Russian Foreign Minister Kozyrev held three rounds of talks in Washington over the last two days on various issues, including the reduction of nuclear weapons. At the end of the meeting, both admitted that differences in further reducing strategic weapons have yet to be eliminated, and this will surely cast a shadow on Russian President Yeltsin's visit to the U.S. in mid-June.

On the basis of the U.S.-Russian "Strategic Arms Reduction Treaty" reached last year, the U.S. and Russia have individually made proposals early this year to further destroy offensive strategic nuclear weapon. Although the proposals of the two countries are vastly different, both parties had constantly carried out intense talks in the following months in the hope an agreement can be reached before Yeltsin's visit to the U.S.

According to reports, during talks with Baker Kozyrev expressed the view that Russia is in agreement with the U.S. proposal to reduce the number of each other's strategic warheads to 4,700. However, both parties still refuse to budge on the question of which types of nuclear weapons are to be reduced: The U.S. insists both parties should destroy all land-based intercontinental multi-warhead missiles, while Russia wishes to retain a certain quantity of land-based multi-warhead missiles. The U.S. media analyzed that the basic motive in the U.S. proposal to destroy land-based intercontinental multi-warhead missiles is to eliminate Russia's advantage in this category of weapon, in particular to eliminate the potential threat to the U.S. of the powerful and highly accurate SS-18 intercontinental multi-warhead missile; out of its own strategic needs, Russia naturally rejected the U.S. proposal.

Baker and Kozyrev have also discussed the issue of U.S. aid to Russia. During his visit to the United States, Yeltsin is expected to sign a series of agreements with President Bush on economic cooperation and U.S. economic aid to Russia. However, the U.S. media reported that because Congress is unlikely to approve before Yeltsin's visit the aid package proposed by the Bush administration for Russia and the former Soviet republics, some of the agreements signed may be difficult to carry out.

U.S. intelligence agencies recently predicted that the situation in the former Soviet republics will be severe and volatile. As such, the Bush administration and the media have repeatedly called on Congress to speed up approval of the aid plan. Nevertheless, in consideration of the general election, many congressmen are calling for the priority to be placed on serious domestic problems such as economic recession and unemployment, thus causing the approval of aid to the former Soviet Union to be further delayed.

The purpose of Kozyrev's current trip to the U.S. is to lay the foundation for Yeltsin's visit. Since his talks with Baker have yielded limited results, it seems Yeltsin's trip will not be an easy one either.

#### Hong Kong Hosts Pacific Cooperation Conference

OW1006163792 Beijing XINHUA in English  
1558 GMT 10 Jun 92

[Text] Hong Kong, June 10 (XINHUA)—A three-day international conference on global interdependence and Asia-Pacific cooperation closed in Hong Kong today, drawing a bright picture for multilateral economic cooperation in the Asia-Pacific region.

The conference was co-sponsored by the U.S. Hawaii-based East-West Center, Chung-hua Institute for Economic Research and New Asia College of the Hong Kong Chinese University.

Participants were over 30 economists and professors from the United States, Canada, China's mainland, Japan, South Korea, Taiwan, Thailand, Australia and Hong Kong.

The conference concentrated its attention on three topics: change in economic pattern as a result of global interdependence, the mould of international economic cooperation with the emphasis on cooperation in the Asia-Pacific region and policies for sustained economic development in this region toward 21st century.

Zhang Zhongli, president of the Shanghai Academy of Social Sciences, outlined prospects for China's economic growth and requirements of structural adjustment.

"Propelled by reform and opening to the outside world, Chinese economy in the 1980's reaped remarkable growth and its average annual GNP growth reached 9.5 percent, which was unprecedented in the Chinese history," he said.

Then he listed both factors for the trend of Chinese economic growth in the near future and factors that can restrain fast economic growth.

Nevertheless, he noted, this does not mean that the prospect of China's economic growth in the 1990's will be of the same level as in the 1980's. This is because China's high growth in the 1980's is only an initial release of its growth potential. In the 1990's, there are still large potential growth reserves.

Suthiphan Chirathiwat, a research associate from the Thailand Development Research Institute, said ASEAN is now considered as one group of the most open economies with a strong growth in the world.

ASEAN as a group of economies, has become to keep its prosperity close to the Asia-Pacific economies.

It is quite clear in ASEAN that its trade linkages have long been with Asia-Pacific countries, both on exports and imports. The share of Asia-Pacific in ASEAN's total exports was higher than 70 percent since 1970 and imports was recently well over two-thirds of the total.

Huang C.S., director of the Institute of International Economics of the National Chung-cheng University in Taiwan, talked about development of trade and investment between two sides of the Taiwan Straits.

#### Official Addresses Labor Conference in Geneva

OW1006223492 Beijing XINHUA in English  
1650 GMT 10 Jun 92

[Text] Geneva, June 10 (XINHUA)—Employees in China are always considered as the main body and acting core of the companies and Chinese government shows great concern for their daily life, a Chinese business leader said here today.

"We give great care to their daily life and their professional safety, and have tried our best to provide opportunities for them in education and on-the-job training, in order to improve their qualifications," said Pan Chenglie, deputy director-general of China Enterprise Management Association, at the 79th International Labor Conference.

Any enterprise could not be competent or even could not exist if it failed to mobilize its employees' zeal for work, Pan added.

Management techniques and methods are adaptable all over the world just as natural sciences and technology, but they can only be successful when used according to different situation in different nations and of different peoples, he said.

In China, labour union has been playing an important role in improving operation of enterprises by given suggestions and the workers' right of democracy in management is highly respected, he added.

#### United States & Canada

##### Jiang Zemin Meets U.S. Mathematician, Physicist

OW0406122892 Beijing XINHUA in English  
1214 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—General Secretary Jiang Zemin of the Chinese Communist Party met here today with world-famous mathematician Chern Shiing Shen, professor of University of California at Berkeley, and his wife Chern Shi Ning and noted theoretical physicist Chen Ning Yang, professor of New York State University.

Jiang had a cordial conversation with and gave a dinner in honor of his guests, according to an official of the Chinese State Education Commission.

Jiang met with Chern in 1991 and with Yang in 1990, when they visited China.

Chern and Yang are scheduled to preside over a seminar on theoretical physics from June 5 to 9 in Nankai University in Tianjin.

##### Gu Mu Meets Noted Overseas Chinese Scientists

OW0206120992 Beijing XINHUA in English  
1103 GMT 2 Jun 92

[Text] Beijing, June 2 (XINHUA)—Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met a group of well-known scientists from Taiwan and abroad here today.

Among them were American professor of physics C.N. Yang, American mathematician Professor Shing-shen Chern and American professor Y.H. Ku.

Gu Mu, on behalf of the CPPCC, warmly welcomed them to come here to take part in academic activities and for a visit.

"We are all people of Chinese descent, sharing the same hope for a better construction of the country," he said.

Gu said he hoped to see more overseas and Taiwanese scientists come to look around and learn more about the Chinese mainland's construction and to voice their opinions and suggestions for the nation's growth.

Shing-shen Chern said he was very pleased to find development and changes on the mainland every time he returned.

He expressed the belief that so long as China maintains its stable growth, it will reduce the gap and finally catch up with developed countries.

During the meeting, C.N. Yang noted that Deng Xiaoping has deep insight in saying that science and technology are the primary productive force.



He suggested that the state give the scientific research units more power in decision making.

At the same time, it should offer scientists and technicians financial assistance and encourage them to engage in production and exploration, thus facilitating the conversion of science and technology into productive forces.

Noted American applied mathematician Chia-Chiao Lin [name as received] asked the government to pay attention to training young scientists and technicians.

In order to attract more overseas scientific and technological personnel to return to work, it is imperative to create a quality working and living environment for them, he said.

The scientists who took part in the meeting also raised suggestions on issues related to the development of high-tech and basic industry, regional development in industrial areas and environmental protection.

Other noted Chinese born American scientists including Sheldon Shou-Lien Chang were present.

After the meeting Gu Mu gave a luncheon in honor of the scientists who have come for a gathering of Chinese physicians.

#### Article Says U.S. Hong Kong Act Interference

HK1106041992 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 23, 8 Jun 92 p 3

[Article by Zheng Shi (6774 1395): "Hong Kong Affairs Brook No Interference by Others—Commenting on 'U.S.-Hong Kong Policy Act'"]

[Text] On 21 May the U.S. Senate adopted the U.S.-Hong Kong Policy Act despite the Chinese Government's repeated opposition. This move violates international norms and is unacceptable to the Chinese people. We resolutely oppose any country's interference in the Hong Kong issue under whatever pretext in whatever form.

#### What Is the Purpose of Formulating This Act?

The U.S. excuse for formulating this act is high-sounding. In the words of some U.S. personalities, it is to protect U.S. interests in Hong Kong after 1997 and to promote Hong Kong's prosperity. But analysis suggests that this excuse absolutely does not hold. The "Sino-British Joint Declaration" made an explicit commitment that the interests of all countries, including the United States, in Hong Kong will be taken care of and that the future government of the Hong Kong Special Administrative Region [SAR] will abide by the "Hong Kong SAR Basic Law" in protecting all countries' legitimate interests in Hong Kong. Thus it can be seen that the future SAR government can consult with the United States according to the relevant provisions of the "Hong Kong Basic Law" about the arrangements for U.S. economic

interests in Hong Kong. There is no need at all for the United States to pass another law to protect its interests in Hong Kong.

What is called protecting U.S. economic interests is, as a matter of fact, only a pretext the United States used in formulating the Hong Kong Policy Act. The real purpose stems from political and strategic considerations. Prior to this, the "Heritage Foundation," which is said to be one of the U.S. Government's political brain trusts, published a research report pointing out that "the United States is bound to replace Britain as the most important Western nation in Hong Kong" after 1997. This remark indeed laid bare its secret. The purpose of the United States in formulating the Hong Kong Policy Act is to create a legal basis for this aim.

#### The Act Violates International Norms

As everyone is aware, the Hong Kong issue, inherited from history, has been solved by the "Sino-British Joint Declaration" signed by the Chinese and British Governments in 1984. The "Sino-British Joint Declaration" is an agreement between China and Britain registered with the United Nations. It has legal effect and entrusts rights and obligations to China and Britain. However, the "U.S.-Hong Kong Policy Act" authorizes the U.S. President to decide whether or not Hong Kong will gain adequate freedom after 1997 and requests that the U.S. Government report regularly to the U.S. Congress on the development of Hong Kong's democracy and its human rights situation. This is a move blatantly interfering in Hong Kong's affairs.

Apart from this, the act actually interferes in the future Hong Kong SAR's high degree of autonomy. "One country, two systems" is a basic state policy the Chinese Government has proposed for the motherland's reunification. According to this basic state policy, the Chinese Government has formulated a series of principles and policies on Hong Kong. After resuming the exercising of sovereignty over Hong Kong on 1 July 1997, it will establish a special administrative region directly under the central jurisdiction of the people's government. With the exception of national defense and diplomatic affairs, which will be managed by the central government, the Hong Kong SAR will practice a high degree of autonomy; the socialist system and socialist policies will not be practiced in the Hong Kong SAR, its capitalist society and economic system will remain unchanged, its lifestyle will remain unchanged, and its laws will remain basically unchanged; Hong Kong's position as an international financial center and a free port will be preserved; and the British and other countries' economic interests in Hong Kong will be taken care of. These basic principles and policies on Hong Kong have been included in the "Sino-British Joint Declaration," and the "Basic Law" provides detailed stipulations on them. But the United States has exceeded its functions and meddled in Hong Kong's internal affairs, including democracy and human rights. Is this not interfering in Hong Kong's high degree of autonomy?

### The Unhealthy Consequences of the Act

The Chinese Government has on many occasions expressed its stern stance on this act which trespasses on Chinese sovereignty. If the U.S. Congress and Government are bent on completing the legislative procedures for the act so that it becomes a formal law of the United States, it will certainly produce an unfavorable impact on Hong Kong's steady transition as well as its prosperity and stability and will also add to the difficulties in Sino-U.S. relations.

This Act will interrupt Sino-British cooperation on the Hong Kong issue. Hong Kong is now in the latter period of transition and many problems need Sino-British communication and consultations. Closer cooperation between the Chinese and British Governments is an important guarantee for Hong Kong's steady transition. In this process, all problems appearing during the implementation of the "Sino-British Joint Declaration" can only be solved with a consensus through consultations between the Chinese and British Governments. But the United States wants to meddle in and carry out "supervision" over the situation. Obviously, this move will interrupt the cooperation and efforts made by the Chinese and British Governments for Hong Kong's steady transition and is thus unfavorable to the implementation and carrying out of the "Sino-British Joint Declaration."

To sum up, the essence of the "U.S.-Hong Kong Policy Act" is trying to meddle in Hong Kong's affairs politically under the pretext of protecting U.S. economic interests in Hong Kong. This act actually interferes in China's internal affairs, will harm the long-term interests of Sino-U.S. relations, and is unfavorable to Hong Kong's steady transition as well as its prosperity and stability. Therefore we are resolute in not accepting this act. We hope personalities in U.S. political circles will take a slightly long-term view, put the general interests of Sino-U.S. relations and Hong Kong's prosperity and stability above everything else, and make a cautious [shen zhong 1957 6850] and sensible [ming zhi 2494 2535] choice on the U.S.-Hong Kong Policy Act.

### Scholars Comment on U.S. Role, Sino-U.S. Ties

HK1006104392 Beijing CHINA DAILY in English  
10 Jun 92 p 4

[From the "Opinion" page by Gangyi Wang: "Chinese Scholars Reflect on U.S. Role in New World"]

[Text] Like most other countries in the world, the United States has been making security adjustments and foreign policy changes to adapt to the new international situation created by the disintegration of the Soviet Union last year, effectively ending the "cold war."

Now that the United States is the sole superpower in the World, these adjustments and changes naturally have attracted close attention and aroused great concerns throughout the international community.

More than 40 Chinese experts on international relations who gathered in Beijing last month at a symposium discussed American global strategic adjustments, its regional strategies, its policies towards China and other related issues. The two-day symposium was co-sponsored by the Beijing Society of Comparative International Studies (BSCIS) and the China Business Times.

Many experts pointed out that the establishment of a U.S. dominated new world order is the overall objective of the United States' international strategic adjustments. However, since the Bush administration is under increasing pressure to give more priority to domestic issues, American diplomacy will chiefly serve its economic revitalization and the needs of party politics, especially during the year of presidential election.

Ha Mei, research fellow at the China Institute of Contemporary International Relations (CICIR), said that the establishment of a "new world order" to be dominated by the United States constitutes the overall objective of the global strategic adjustments of the United States. But the U.S. also has some other objectives, including the recovery of its own economic vitality, the consolidation of a Western alliance, the maintenance of its position as the world's only superpower, the promotion of its cultural values in other parts of the world and the formation of global and regional security systems.

Xi Runchang, research fellow from the Institute of World Economy and Politics under the Chinese Academy of Social Sciences (CASS), said mainstream American statesmen hold that the United States is not declining, instead, it is experiencing the best historical period since the end of World War II. "This constitutes the basis of its current strategic adjustments," he said.

Xi pointed out the United States wants to play a leading role in the world, but the realization of the objective to a large extent depends on its relations with Western European countries and Japan. The future of Russia and the development in China will also have an impact, he added.

Ha Mei noted that the end of the "cold war" has deprived Sino-U.S. relations of their old strategic basis. China's position in the American global strategy is declining, while the negative aspects of Sino-U.S. relations have been on the rise.

Zhang Mingqian, research fellow from the China Centre for International Studies under the State Council, said that people are looking for a new triangular relationship, because they have gotten used to the concept. "In fact, Sino-U.S. relations have turned more direct since the end of the 'cold war'. Mutual understanding, co-ordination and co-operation between China and the United States on the issues of human survival, security, peace and development actually have demonstrated the existence of a kind of strategic relationship between the two countries," he said.

Zhou Jirong said that bilateral relations between China and the United States still carries a strategic nature. There is a need for the two sides to co-operate in many aspects, especially in regional conflicts, environmental protection and the United Nations. "We should not cherish the illusion that Sino-U.S. relations will go back to their pre-1989 level, but we should not be too pessimistic either," he stressed.

Zhang Yebai, research fellow of the Institute of American Studies of CASS, pointed out that while China has largely normalized relations with Japan and Western European countries during the past two years, its ties with the United States have seen no substantial improvement. It is unrealistic to expect dramatic changes in the near future, he added.

"We should strive for the best prospect of Sino-U.S. relations, while preparing for the worst," he said.

Su Ge, professor from the Foreign Affairs College, noted that viewed from the approach of its global strategy, the United States still focuses on Europe. Except for Western Europe, it lays more emphasis on the Commonwealth of Independent States than on Asia and the Pacific Region.

Zhang Dunhou, research fellow from the China Centre for International Studies, echoed Su's view by saying that the United States will not shift its strategic emphasis to Asia before Europe is stabilized.

#### Column Says U.S. Policy in 'Uncertain Period'

HK1006135392 Beijing RENMIN RIBAO in Chinese  
8 Jun 92 p 7

["Trends in International Studies" column by staff reporter Zhang Baoxiang (1728 1405 4382): "Trend of U.S. Global Strategic Adjustment"]

[Text] On 28 and 29 May, the Society for the Study of Foreign Affairs in Beijing held a symposium on the "Post-cold-war Adjustment of U.S. Global Strategy." More than 30 experts and scholars on U.S. affairs in Beijing attended the meeting. The participants held that along with the dissolution of the Soviet Union, the advancement of Europe's integration, the rise of Germany and Japan, and the increase in regional conflicts, the United States has been accelerating the adjustment of its global strategy.

Most experts and scholars held that the adjustment of U.S. strategy was focused on the following main points.

First, it is giving prominence to economic security and is striving to keep its superior position in the global competition in comprehensive national strength focused on high technology. The United States holds that after the end of the cold war, although the military threat from the Soviet Union has ceased to exist, the rise of the EC and Japan will pose challenges to the "leading position" of the United States. Therefore, the United States has

decided to take developing the economy and strengthening its comprehensive national strength as its chief strategic objective. This is because if it fails to do this, Europe and Japan will surpass the United States in economic strength, and "it is possible that the global sequence of superiority will have to be rearranged."

Second, it is shifting the focus of its strategic adjustment to preventing the occurrence, and settling of regional threats. The dissolution of the Soviet Union has led to increasingly serious regional conflicts. Racial and religious conflicts, territorial disputes, and the proliferation of nuclear weapons are considered major threats against the security and interests of the United States. Regional conflicts have replaced the U.S.-Soviet confrontation as the priority issue in U.S. national security strategy. Constrained by its national strength, the United States has decided to adopt the option of "selective interference" to prevent the appearance of new "potential rivals" and to deal blows to regional powers which dare to challenge the United States' major economic and strategic interests.

Third, the focus of the strategy will be gradually shifted from Europe alone to both Europe and Asia. At present, Europe remains the most important region in U.S. global strategy. However, because of rapid economic development in the Asia-Pacific region and the increasingly close economic ties between the United States and this region, the Asia-Pacific region has obviously been becoming more and more important in U.S. global strategy. U.S. President Bush stressed that the destiny of the United States not only lies on both sides of the Atlantic Ocean but also on both sides of the Pacific Ocean. When marching toward the 21st century, the United States will gradually pursue a strategy that places equal stress on both Europe and Asia.

Fourth, conventional forces will hold a more important status in U.S. strategy, and the status of the nuclear force will decline in comparison. Although nuclear forces will remain a pillar of U.S. military strategy, because the nuclear threat from the former Soviet Union has decreased, its status has declined relatively and the status of conventional forces has obviously become more important. The United States attaches great importance to the role of "rapid reaction forces" and holds that they are an effective means of reacting to regional contingencies.

Experts and scholars attending the symposium pointed out that to fulfill its global strategy, the United States will probably adopt the following measures: 1) adjust relations with its allies and build U.S.-dominated "collective participation" mechanisms so that its allies will share more responsibilities and costs, thus making up for the inadequacies of U.S. strength and improving relations with its allies; 2) help the countries of the CIS tide over their difficulties and thus prevent changes unfavorable to the United States; 3) introduce U.S. values to developing countries; 4) quicken the establishment of the North American Free Trade Zone to deal with challenges from the European Community and Japan; 5) adjust the



deployment of nuclear and conventional forces, increasing the mobility of troops to meet various contingencies; 6) give full play to the role of such international organizations as the United Nations, NATO, and the CSCE.

The experts and scholars attending the symposium also pointed out that under the current changeable international situation, there are still many uncertain factors which may affect the adjustment of U.S. global strategy, such as the future of the CIS countries, the attitude of various allies toward them, the development of the world economy, the struggle between various domestic factions, and the result of the U.S. presidential election. Therefore, U.S. global strategy will still be continuously readjusted according to changes in the situation. It seems that its foreign and defense policies will continue to undergo a changeable and uncertain period.

### Central Eurasia

#### Yeltsin Says Gaydar Government Will Not Resign

OW1006143192 Beijing XINHUA in English  
1406 GMT 10 Jun 92

[Text] Moscow, June 10 (XINHUA)—Russian President Boris Yeltsin today denied a rumor that First Deputy Prime Minister Yegor Gaydar and his cabinet colleagues were about to resign.

Yeltsin also stressed that he would continue in his dual role of prime minister.

Speaking to the INTERFAX News Agency, Yeltsin said "Even if I step down as prime minister, the Gaydar government will be able to work unitedly."

Yeltsin reaffirmed his position during a meeting with senior Russian military officials today.

"At present, the Gaydar team is the only choice for our country," he said.

When the Russian Government emerged last November, Yeltsin named himself prime minister while the 35-year-old Gaydar, one of three deputy prime ministers, was assigned to oversee the economy.

Early this year, as Russia began to experience Gaydar's "economic shock therapy", Gaydar was promoted to first deputy prime minister responsible for routine matters.

#### Yeltsin Calls for CIS Military Cooperation

OW1006150192 Beijing XINHUA in English  
1441 GMT 10 Jun 92

[Text] Moscow, June 10 (XINHUA)—Russian President Boris Yeltsin called today for military cooperation among former Soviet republics, promising the creation of a Russian national army would not split the Commonwealth Armed Forces.

Speaking at his first meeting with senior Russian military commanders since a March declaration to form a Russian Army, Yeltsin expressed disappointment CIS members had not yet agreed on the concrete composition and designation of the Commonwealth forces.

On other military issues, Yeltsin said that for the Black Sea Fleet dispute, it was important to work out the formula of compromise in solving disputed issues.

He also promised that the 14th Russian Army stationed in the Dneister region of Moldova would not become embroiled in the military conflict there.

Referring to the terms of Russian withdrawal from the Baltic states, Yeltsin said "The solution of the problem is possible only on the basis of realism."

Russia rejected any ultimatums and the issue of withdrawal was mostly a technical one, he said.

Yeltsin also spoke of Russia's economic reforms.

The internal situation was complicated but never hopeless. Stalling reforms would mean a dead end for Russia, he said.

Yeltsin reaffirmed that the current Russian Government would continue in office, calling a rumor about its resignation as "indiscreet". There was no alternative to the "Yegor Gaydar team," he said.

On disarmament issues, Yeltsin said "We are moving towards the ratification of the START Treaty by parliament".

"We would like the reduction of strategic nuclear forces to be completed by the year of 2000."

Both Russia and the United States would have 2,200-2,500 such weapons, he said.

All these issues would be discussed during his June 16-17 Washington Summit with U.S. President George Bush, he added.

The senior Russian military commanders meeting began Tuesday and ended today.

Yeltsin has spoken of holding regular meetings with the military.

### Southeast Asia & Pacific

#### Fiji's Rabuka Hosts State Banquet for Li Peng

OW1006195792 Beijing XINHUA Domestic Service  
in Chinese 1546 GMT 10 June 92

[By reporter Zeng Hu (2582 5706)]

[Text] Nandi (Fiji), 10 June (XINHUA)—Fijian Prime Minister Rabuka hosted a state banquet at the Sheraton Hotel in Nandi, Fiji's second largest city, on the evening

of 10 June to warmly welcome Premier Li Peng of China's State Council and his delegation.

Premier Li Peng arrived in the South Pacific island this morning for a friendly visit on his way to Rio de Janeiro, Brazil, to attend a summit meeting of the UN Conference on Environment and Development [UNCED].

In his speech, Rabuka said: Relations between the two countries and their peoples have developed and strengthened steadily since the establishment of diplomatic relations in 1975.

He said that Premier Li Peng's visit to Fiji, although brief, demonstrated the increasingly closer friendship between Fiji and China.

On the issue of environment and development, Rabuka said: Despite its status as a small island state, Fiji is similarly concerned about important discussions held at the UNCED. He expressed the hope that China would play a positive role at the UNCED's summit meeting.

He noted: The exchanges of leadership visits and contacts between people from all circles in recent years have developed the future bonds of friendship, respect, and mutual cooperation between the two countries.

Prime Minister Rabuka once again expressed his thanks to the Chinese Government and people for assisting, supporting, and commiserating with Fiji as it pursues an independent national construction program.

In addition, he invited Chinese entrepreneurs to invest in Fiji, saying: Some enterprises funded and operated by Chinese entrepreneurs, especially garment factories, have yielded substantial returns.

Rabuka also expressed hopes for the further development of trade relations between the two countries, citing plans for increasing the variety of China-bound export products in the future.

In his thank-you speech, Li Peng agreed with Prime Minister Rabuka's positive assessment of Sino-Fijian relations, saying: "I am also full of confidence about the broad prospects for relations between the two countries."

Li Peng said: "Relations between China and Fiji have developed smoothly since the establishment of diplomatic relations. Exchanges of visits between personnel from the two sides have increased steadily. The two countries have gained substantial, mutually beneficial, and practical results in economic and technological cooperation and in bilateral trade. Friendly cooperation between the two sides is also experiencing gradual growth in the cultural and educational fields."

He said emphatically: "The Chinese Government and people highly value the existing friendly relations between the two countries. They are willing to continue to work together with the Fijian Government and people in further strengthening and developing such relations."

Speaking on the international situation, Li Peng said: The current international situation is turbulent and volatile. The world is moving into a transitional period of multipolarity. Peace and development—two major issues that mankind has encountered for a long time—have yet to be achieved. People in various countries share an ever stronger desire for a new international political and economic order that is peaceful, stable, just, and rational.

He said: Despite their separation by vast oceans and despite the huge disparity in population and territorial size, China and Fiji are developing countries that treat each other on an equal footing, have much in common, and share broad common interests on the issues of peace and development. He said: "We are both faced with the tasks of developing the economy and improving the people's living standards. Both cherish their independence and respect the independence of other countries. Located in the Asian-Pacific region, both entertain a common wish and bear a common responsibility for maintaining peace and stability in the region. There are no fundamental conflicts of interest or unsettled historical grievances between our two countries."

Li Peng expressed his belief that friendship and cooperation between the two countries would definitely produce more splendid and substantial results because of improved mutual understanding and economic development in both countries.

Premier Li Peng and Prime Minister Rabuka had an extended round of cordial and friendly [qing qie you hao 6024 0434 0645 1170] talks at a cocktail party prior to the state banquet. They briefed each other on the domestic situations of their respective countries and exchanged views on a broad range of international issues.

Members of the delegation who attended the cocktail party and the banquet included Zhu Lin, wife of Premier Li Peng; Qi Huaiyuan, director of the State Council's Foreign Affairs Office; Vice Foreign Minister Liu Huaqiu; Deng Nan, vice minister in charge of the State Science and Technology Commission; and Zou Jingmeng, director of the State Oceanography Bureau.

Close to 100 people from the Fijian side attended the party and the banquet. They included cabinet members, parliamentarians, tribal chieftains, and representatives from various circles.

Premier Li Peng and his delegation will leave Fiji for Rio de Janeiro tomorrow.

#### XINHUA English Report

OW1006161492 Beijing XINHUA in English  
1539 GMT 10 Jun 92

[Text] Nandi, Fiji, June 10 (XINHUA)—China and Fiji both championed bilateral ties tonight with the two nations' respective prime ministers expressing a shared confidence in improving relations.

Speaking at a state banquet in honor of Chinese Premier Li Peng, Fijian Prime Minister Sitiveni Rabuka spoke highly of developments in bilateral ties since the two established diplomatic ties in 1975.

Increased exchanges between Fiji and China pointed to "developing bonds of friendship, respect and mutual cooperation in the future," he said.

Though short, Li's visit to Fiji demonstrated "the growing closer relations between Fiji and China," he added.

Rabuka said his country would like to see greater investment by Chinese entrepreneurs in Fiji and growing trade relations.

Li Peng arrived here this morning for a one-day friendly visit on his way to Rio de Janeiro, Brazil, to attend the United Nations Conference on Environment and Development (UNCED).

"I am equally confident about the broad prospects for developing bilateral relations," Li told his hosts.

"The Chinese Government and people treasure the existing friendly relations between the two nations, and are ready to join the government and people of Fiji in making continuous efforts to further strengthen and develop this relationship."

Given that China and Fiji were both developing countries, they shared numerous common points, he said.

"Since the day diplomatic relations were established, our relationship has been built on the basis of mutual respect, equality and mutual benefit."

#### Further Report

OW1006131492 Beijing XINHUA in English  
1226 GMT 10 Jun 92

[Text] Nandi, Fiji, June 10 (XINHUA)—Fijian Prime Minister Sitiveni Rabuka said today his country was expecting a positive outcome from the United Nations Conference on Environment and Development (UNCED) and an active role by China in the proceedings.

Rabuka was speaking at a state banquet in honor of Chinese Premier Li Peng who was in Fiji en route to the conference.

"As all eyes are on the important deliberations that are being undertaken at the Earth Summit in Brazil at the moment, Fiji as a small island nation also shares the concerns," Rabuka said.

The conference opened in Rio de Janeiro, Brazil on June 3.

Its summit meeting is due to begin Friday and has attracted around 120 heads of state and government, making it the largest ever gathering of world leaders in human history.

Rabuka expressed confidence China would play an active role in the Earth Summit's important work.

Li's "high level participation at the summit is a testimony in that regard," he said.

Fiji was optimistic positive results and resolutions would emerge from the summit, helping to safeguard the future of mankind as well as all life on earth, he added.

But whatever the results of the Earth Summit, its very existence was "a step in the right direction," he said.

"Long live the long march to protect our global environment," he added.

#### Li Peng Stops Over in Tahiti en Route to Brazil

OW1106042492 Beijing XINHUA in English  
0355 GMT 11 Jun 92

[Text] Papeete, Tahiti, June 10 (XINHUA)—Chinese Premier Li Peng arrived in Papeete, capital of French Polynesia, today for a stopover after concluding his friendly visit to Fiji earlier in the day.

Li has arrived in Tahiti, the main island of Polynesia, on his way to Rio de Janeiro to attend the summit meeting of the United Nations Conference on Environment and Development (UNCED).

Polynesia's High Commissioner Michel Jau and Chinese Ambassador to Fiji Hua Junduo met Premier Li at the airport.

#### Qiao Shi Meets Australian Chief Justice

OW1006125792 Beijing XINHUA in English  
1242 GMT 10 Jun 92

[Text] Beijing, June 10 (XINHUA)—China will draw on foreign experience to improve its legal system, a Chinese Communist Party leader said here today.

Qiao Shi, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, said China's legal system in some areas remains to be improved.

China will draw on the experience of foreign countries in the building of legal systems, which may be applicable to China's situation and requirements, he added.

Qiao made his comments during a meeting with the Chief Justice of Australia, Sir Anthony Mason, at the Great Hall of the People.

According to a Chinese official at the meeting, Qiao said that while China and Australia are different they also share matters in common.

The official quoted Qiao as saying that frequent contacts between the courts of the two countries will be conducive to mutual understanding. Friendly bilateral relations will contribute to peace and stability in the region.



"China is a developing country. The older generation, the current generation and the generations to come will strive for the change to the face of China," the official quoted Qiao as saying.

"The legislature is still a heavy task for China," said Qiao, adding that following more than 10 years' efforts, China has a legal system in place.

"However many laws are not perfect and China will continue to strengthen the construction of democracy and the legal system," he said.

Qiao noted China is now accelerating its policy of opening to the world and carrying out reforms. It wants further improvement of the legal system.

"The task is arduous for China which is so large a country," Qiao was quoted as saying. "We should perfect the legal system in many fields. Therefore we will need to learn extensively from other countries' experience."

Sir Anthony who visited China about 10 years ago, said he found China has made progress in construction of its legal system in the last decade.

He expressed the belief that the friendship between the two countries' judiciary will grow.

Ren Jianxin, president of China's Supreme People's Court, attended the meeting.

Sir Anthony and his party arrived here on June 7 as guests of the Supreme People's Court. They will also visit Xian, Shanghai, Hangzhou and Guangzhou.

#### **SNC, UN Discuss Cambodian Draft Election Law**

*OW1006163592 Beijing XINHUA in English  
1549 GMT 10 Jun 92*

[Text] Phnom Penh, June 10 (XINHUA) —Cambodia's Supreme National Council (SNC) today discussed a draft election law drawn up by United Nations peacekeepers.

The law's provisions should accord with the spirit of the Paris peace agreement, SNC member Prince Norodom Ranarith said.

Those not in conformity with the peace document should be revised, he told the SNC's 12th session held today in Khemarin Palace.

The draft electoral law, drafted by the U.N. Transitional Authority in Cambodia (UNTAC), was presented to the SNC by UNTAC Chairman Yasushi Akashi for ratification.

Under the Paris peace agreement, general elections in Cambodia will be held in May, 1993.

At today's meeting chaired by Samdech Norodom Sihanouk, some SNC members said all Cambodians living either at home or temporarily abroad would have to make clear whether they were genuine Cambodian citizens.

Only these would have the right to take part in the elections, the members said.

Voter registration should go on within the territory of Cambodia, one SNC member stressed.

But the draft law stipulates that polling stations will also be set up in Australia, Geneva and New York.

UNTAC should reinforce supervision and check up on voter registration in order to achieve free, democratic and fair general elections, the SNC said.

Today's session also covered Cambodia's rehabilitation and reconstruction.

Akashi said that according to the original plan, the second phase of Cambodia's peace process should begin after the draft electoral law had been discussed and ratified.

Under the Paris peace agreement for a comprehensive settlement of the Cambodia conflict signed on October 23, 1991, the second phase of the cease-fire is due to begin on June 13, 1992.

During Cambodia's reconstruction, opinions from all Cambodian factions should be taken into consideration, Akashi said.

The regrouping, cantonment, disarmament and demobilization of Cambodia's four factions should also continue, he said.

#### **Thai Parties React to New Prime Minister**

*OW1106100092 Beijing XINHUA in English  
0916 GMT 11 Jun 92*

[Text] Bangkok, June 11 (XINHUA) —The pro-military parties reacted to the appointment of Anan Panyarachun as the new prime minister with shock and dismay while the opposition greeted it with welcome and surprise.

"I'm relieved," declared Sombu Rahong with a forced smile after a stunning royal command yesterday dashed his hopes of becoming Thailand's 20th prime minister.

"I'm happy. I can laugh now," Sombu said of Anan Panyarachun's appointment as interim premier.

"I don't know what to say. But I believe everybody will be in a state of shock after hearing of the appointment," said Secretary-General Thithi Nakhonthap of Samakkhi Tham Party [Justice Unity Party], the largest party, last night.

The surprise appointment of Anan Panyarachun as prime minister was warmly welcomed yesterday by politicians and pro-democracy groups.

Phalang Tham party acting leader Adm Siri Sirirangsri yesterday said that he was surprised but extremely pleased.

The Democrat Party leader Chuan Likphai said yesterday that his party also welcomed Anan's appointment but was non-committal on the possibility of joining his interim government.

It was reported that a Thai Army source said Thai Army was also satisfied with Anan appointed as new prime minister.

## Near East & South Asia

### Israeli Leaders on Importance of Golan Heights

OW1106075392 Beijing XINHUA in English  
0736 GMT 11 Jun 92

[By Yu Dabo and Li Hongqi: "News Analysis: Likud, Labor Find Common Ground On Golan Heights"]

[Text] Jerusalem, June 11 (XINHUA)—For the first time during the election campaign, Likud and Labor, Israel's largest parties vying for power, have struck the same tune on the Golan Heights which the Jewish state seized from Syria in 1967.

Prime Minister Yitzhaq Shamir, who heads Likud, and opposition Labor Leader Yitzhaq Rabin both vowed Wednesday that Israel would never give up the heights.

Shamir declared the Golan as "an integral part of Israel." Rabin, on his part, proclaimed that Israel "will never come down from the heights" which served as "a strategic asset" to the country.

Shamir and Rabin were speaking at separate rallies in the Golan area, marking the 25th anniversary of Israel's occupation of the heights.

The two men were on election campaign tours of the north, both trying to seize the occasion to woo votes in the June 23 election.

Shamir's speech offered nothing new as Likud has all along insisted on Israel's claim to all the Arab territories captured in the 1967 Middle East War.

To drive the point home, Director General of the Prime Minister's Office, Yosi Ben-Aharon, said shortly after Shamir's speech that the Golan Heights "should have priority in terms of budget and investment to show Syria that there will be no Israeli withdrawal."

But Rabin's remarks obviously went against Labor's election platform, which includes possible territorial compromise in Golan.

Syria has been demanding return of the Golan Heights during Mideast peace talks launched last October in Madrid before coming to peace with Israel.

Rabin, now leading in pre-election polls, has been advocating "limited territorial compromise not detrimental to Israel's security," to lure voters.

But as the election is approaching, Labor has come under increased criticism from both Likud and religious parties for putting Israel's interests at risk.

Meanwhile, the new cycle of Arab-Israeli violence in the occupied Gaza Strip appeared to have reinforced the perception of many Israeli voters that tougher measures were necessary to ensure Israel's security. This will probably weaken Labor's fluctuating support.

"Labor started strong, but now it is declining after reaching the peak," director of the Government Press Office, Yosi Olmert, told XINHUA.

He said Labor tried to sound different from Likud, but in essence the difference between the two parties "is not as big as people think."

Labor's commitment to the Golan Heights might dispel the illusion that Labor was more reflexible than Likud on security issues.

Palestine Liberation Organization Chairman Yasir 'Arafat, when asked about whether he wanted Rabin to win the election, summed it up by saying: "For me, it makes no difference. In fact, I think I'd prefer Shamir, because he is the truest reflection of Israeli intransigence."

## East Europe

### Zou Jiahua Receives Visiting Hungarian Minister

OW1006141992 Beijing XINHUA in English  
1409 GMT 10 Jun 92

[Text] Beijing, June 10 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with visiting Hungarian Minister of International Economic Relations Bela Kadar here today.

They discussed the expansion of the two countries' economic cooperation.

Kadar came to China June 6 at the invitation of the Chinese Ministry of Foreign Economic Relations and Trade.

### Kadar Optimistic on Trade

OW1006162892 Beijing XINHUA in English  
1548 GMT 10 Jun 92

[Text] Beijing, June 10 (XINHUA)—Bela Kadar, a top Hungarian foreign trade official, said today in Beijing that he is optimistic about the prospects for the further development of economic and trade relations between Hungary and China.

He expressed the belief that the bilateral economic and trade cooperation will be strengthened along with the development of the two countries' economies.

Kadar, the Hungarian minister of international economic relations, made the remarks in a XINHUA interview prior to his departure for home.

He said he and his party participated in the sixth session of the Sino-Hungarian committee of economic, trade, and scientific and technological cooperation, and explored opportunities for cooperation involving the development of agricultural machinery, and the food-processing and pharmaceuticals industries with Chinese officials.

Kadar said that as an economist he was deeply impressed with the rapid development of the Chinese economy.

"High-rises can be seen throughout metropolitan Beijing, and in Shenzhen you see new apartments and enterprise facilities everywhere," said the minister, adding that "you can feel and even touch the effects of the country's vigorous economic development."

He expressed the belief that China will become an even more important player in the world economy, and that China's economic and trade relations with other countries will continue to experience growth.

#### Visas Reintroduced for Chinese

LD1006165492 Budapest MTI in English 1233 GMT  
10 Jun 92

[Text] Beijing, June 10 (MTI)—The Hungarian Government has reintroduced partial visa requirements for Chinese citizens, but this is only to prevent those with illegal intentions from entering Hungary. The government, however, has no plans to place entry restrictions on Chinese business people, international economic relations minister Bela Kadar said today.

Kadar completed a five-day visit here, during which he attended the 6th session of a Chinese-Hungarian economic, trade and scientific cooperation committee.

Kadar is head of the committee's Hungarian section.

During the visit, he held talks with his Chinese counterpart Li Lanqing, State Councillor Zou Jiahua, State planning committee head, National People's Congress Vice-Chairwoman Chen Muhua, officials from the Ministries of Commerce and Agriculture, and Economic Restructuring Committee leaders.

Although no accords have been signed during the talks, the sides agreed that bilateral trade, which has been declining recently, must be promoted and economic cooperation invigorated.

The sides ascribed a 70 percent drop in bilateral trade over the past two years to difficulties of switching to market-oriented trade.

The two countries can best help companies to adapt to the changed foreign trade conditions by mutually encouraging investments in the other state.

In joint venture cooperation, the sides attached great importance to bus manufacture, the pharmaceutical industry, the food processing industry and light industry.

Also, they mentioned the possibility of Hungary delivering basic products to Chinese restaurant networks in Europe and of the two countries jointly building sanatoriums in Hungary, where Chinese holistic physicians would treat the guests.

#### Latin America & Caribbean

##### Bush Awaited in Panama 'With Mixed Expectations'

OW1106002592 Beijing XINHUA in English  
2328 GMT 10 Jun 92

[By Wang Shubai]

[Text] Panama City, June 10 (XINHUA)—The Panamanians are awaiting U.S. President George Bush's coming visit with mixed expectations.

After arriving here Thursday for a five-day [as received] visit to this country, the U.S. head of state will meet his Panamanian counterpart, Guillermo Endara, and attend a working luncheon with Panama's high officials. He will also visit a U.S. military base in the Canal Zone and address Panamanians at the main square in Panama City.

Guillermo Endara said he will explain to Bush the implementation of the canal treaties of 1977 and ways of coordinating the orderly transition of the functions and obligations stipulated in these treaties.

On the other hand, President Bush is expected to address the Panamanian people on U.S. economic aid to Panama and the Panamanian program for democracy.

On December 20, 1989, Bush ordered the invasion of Panama, which left 540 Panamanian civilians and army men dead. The present Panamanian Government was set up at that very moment, after the defeat of General Manuel Antonio Noriega, who is now in a Miami jail.

Many Panamanians said that Bush will want to see the results of his own doing on December 20, 1989. Others said his visit is designed to see for himself if the made-in-USA democracy has made any progress. Still others pointed out that this is a good chance for Panamanians to place before him their claims.

"Out With the Murderer" was the slogan chanted here yesterday by dozens of students, trade unionists and politicians, who demonstrated against the U.S. President's visit to this country. The police arrested eight students.

Relatives of the deceased in the U.S. invasion, workers, activists fighting for the freedom of political prisoners, people calling for the salvation of sovereignty and patriotic youths carried out a protest action outside the U.S. Embassy.

The Democratic Revolutionary Party issued a statement repudiating Bush's visit.

On the other hand, businessmen affected by the post-invasion looting expect President Endara to demand from President Bush a compensation of nearly 200 million U.S. dollars.

However, the canal issue is always more important than anything else for the Panamanians.

The Panama Canal treaties, signed on September 7, 1977, stipulate for the withdrawal of the U.S. Southern Command from the country and the return of all the resources used by the United States for the administration of the canal.

Legislators and employees of U.S. military bases, who fear they might lose jobs following the return of the canal, hope that Endara will take advantage of Bush's visit to propose new negotiations to keep U.S. naval bases in Panama until after the year 2000.

The U.S. Southern Command has been in Panama since 1911 and it comprises more than 10,000 troops. There are 6,000 Panamanian employees at the bases. The Panamanian Foreign Ministry estimates that the defense of the canal costs the United States some 700 million dollars a year, which is twice the canal toll revenue.

Nevertheless, President Endara and Foreign Minister Julio Linares have indicated that the present Panamanian Administration will not negotiate a new treaty on military bases.

Anyway, the presidential residence and the streets nearby have been painted and decorated to welcome George Bush.

#### **Wen Jiabao Meets Ecuadoran Political Party Head**

OW1006131292 Beijing XINHUA in English  
1227 GMT 10 Jun 92

[Text] Beijing, June 10 (XINHUA)—Wen Jiabao, alternate member of the Secretariat of the Communist Party of China (CPC) Central Committee, met with Jamil Mahuad, president of the Popular Democracy of Ecuador, here today.

During the meeting, they exchanged views on the Sino-Ecuadoran relations and the relations between the two parties.

Ecuadoran Ambassador to China Cesar Enrique Roman Gonzalez was present at the meeting.

Mahuad arrived here June 8 as guest of the International Liaison Department of the CPC Central Committee. Apart from Beijing, he is also scheduled to visit cities of Xian, Shenyang and Shanghai.

#### **Experts Begin To Manage Guyana Textile Mill**

OW1006141492 Beijing XINHUA Domestic Service  
in Chinese 0903 GMT 10 Jun 92

[By reporter Wang Kui (3769 5525)]

[Text] Georgetown, 9 June (XINHUA)—The (Sanata) Textile Mill of Guyana will be managed by Chinese experts as of today.

The (Sanata) Textile Mill was constructed in the late 70's with Chinese aid. In the 12 years since the mill commenced production, not only has it filled the vacuum in Guyana's textile industry, but it has also made contributions to Guyana's economic development and improved the people's livelihood. However, due to numerous reasons, the mill's facilities were severely damaged, production quantity was low, product quality was poor, its economic efficiency deteriorated, and it gradually slipped into difficult times. Two years ago, the Guyanan Government requested that China send experts to help manage the mill; a "Management Cooperation Agreement" was eventually signed by the two parties. Recently the textile industry department of China's Henan Province dispatched some 30 experts to this South American country; they are now beginning to carry out the "Management Cooperation Agreement" after a period of familiarization.

At a factory meeting held today, (Sanata) Textile Mill Director (Mohan Singh) announced the board's decision to appoint Chinese textile industry expert Wang Tianlu as the mill's general manager. In addition, with the exception of the personnel and the security departments, key positions in all departments of the mill are filled by Chinese experts, and the deputy positions are assumed by Guyanans.

After accepting the appointment, General Manager Wang declared this year to be the production resumption period of the mill. The basic tasks for the year are to repair the facilities, to resume production, to improve the operation system, and to develop markets. He also announced that next year's annual output will increase 5.9-fold from this year, profits will increase 6-fold, and workers' wages will greatly increase following the improvement in production and profits. His speech has aroused the workers' enthusiasm for production. A woman worker named Sandra said she will learn the experience of the Chinese experts and make contributions toward developing production.

The management cooperation is a new experiment in China's economic and technology cooperation activities with foreign countries. In answering the reporter's questions, General Manager Wang Tianlu said his only hope is that the (Sanata) Textile Mill will make more contributions toward developing Guyana's economy and strengthening the friendly cooperation between the peoples of the two countries.

#### **Chinese Trade Exhibition Opens in Mexico City**

OW1106042692 Beijing XINHUA Domestic Service  
in Chinese 0938 GMT 10 Jun 92

[By Reporter Zhuang Xiaqin (8369 7209 3830)]



[Text] Mexico City, 9 June (XINHUA)—The China Practical Technology and Products Trade Exhibition opened at the Mexico City World Trade Center on the evening of 9 June.

(Mario Aweidelop), chairman of the China Committee of the Mexican Entrepreneurs' International Affairs Council; Huang Shikang, Chinese ambassador to Mexico; and Qian Ruoying, head of the exhibition delegation, cut ribbons at the opening ceremony.

The exhibition is co-sponsored by the China Spark Corporation, the China Overseas Trading Company, and the Scientific and Technological Awards Office of the State Science and Technology Commission. Foreign trade companies and entrepreneurs from 14 provinces, municipalities, and autonomous regions are taking part

in the exhibition. Some 700 items and products developed under China's "Spark Program" are being displayed in the exhibition hall which covers 1,000 square meters. They include textiles, light industrial goods, chemicals, electronic products, large machinery, building materials, handicrafts, foodstuffs, farm produce processing equipment, pharmaceuticals, and medical instruments.

In his opening speech, delegation head Qian Ruoying expressed hope that the exhibition will promote friendship between the Chinese and Mexican peoples, and contribute to existing cooperation between the two countries.

About 700 people from the government, business circles, and all walks of life in Mexico attended tonight's opening ceremony.

The exhibition will close on 15 June.

## Political & Social

### Doctor Claims Deng in 'Excellent Health'

HK1106022692 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Jun 92 p 8

[Text] Paramount leader Mr Deng Xiaoping is "perfectly healthy", according to one of the patriarch's personal doctors.

Urologist Dr Wu Jieping of the Chinese Academy of Sciences said in Taiwan that the 87-year-old patriarch enjoyed excellent health.

Dr Wu, 75, who attended such other senior leaders as late premier Zhou Enlai, also rebuked the Hong Kong and overseas-Chinese media for carrying speculative reports about Mr Deng's health.

He is visiting Taiwan with six other top Chinese scientists.

"Deng Xiaoping is very healthy. I simply can't understand why the media have to conjure up stories that say he is sick," Taiwan's UNITED DAILY NEWS quoted Dr Wu as saying.

Although Dr Wu admitted that he had not been consulted by Mr Deng for some time, he denied reports that the octogenarian leader had had heart problems.

Asked whether Mr Deng had any other diseases, Dr Wu said had there been any he would have been the first to know.

It has been widely reported by Chinese doctors and diplomats in Beijing that Mr Deng has been suffering prostate problems.

The Taiwanese media has reported that Dr Wu might examine several Kuomintang (KMT) elders.

The mainland delegation has met senior KMT officials, including an adviser to President Mr Li Teng-hui, Mr Chiang Yien-si, in an unofficial capacity.

### Support for Deng Anti-Leftism View Said Growing

HK1006141092 Hong Kong CHING PAO  
in Chinese No 179, 6 Jun 92 pp 42-43

[Article by Chen Chieh-Hung (7115 3381 1738): "Deng Again Talks About 'Guarding Against and Opposing Leftist Tendencies'"]

[Text] According to sources in Beijing, Deng Xiaoping's talks during his southern tour have won increasingly more support from high-ranking people in the CPC. Jointly signed letters to Deng Xiaoping were sent by 12 vice chairmen from the Standing Committee of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] on 16 March and by 58 members and Standing Committee members of the Central Advisory Commission in early

April, all expressing full support for Deng Xiaoping's talks during his southern tour, and in particular, expressing their hope that the opposition to "leftist tendencies" as underlined by Deng Xiaoping will be continued.

### Changing Opposition to Guarding Against Leftist Tendencies

In a meeting with representatives of the signatories of the letters including Gu Mu, Yu Qiuli, Wang Ping, Yang Dezhi, Chen Xilian, Peng Chong, and others on 18 April, Deng Xiaoping again raised the question of guarding against "leftist tendencies." Deng stated: Your letters have been received. The question of "leftism" within the party is not one that can be resolved in one or two years. "Leftism" has very deep roots in the party as well as a market in society. During my southern tour, I spoke about principally guarding against "leftist tendencies," but some comrades could not comprehend it. Starting from 1983, I had already detected the resurgence of "leftist" thinking within the party. When the party congress adopted resolutions against the launching of political movements and large-scale criticism of individuals, part of the purpose was to guard against "leftist tendencies." During my southern tour of Shenzhen, Guangzhou, and Shanghai, I spoke of the need to oppose "leftist tendencies" at an appropriate time. Taking into consideration the fact that some comrades may not be able to take it, however, I mentioned instead the primary need to guard against "leftist tendencies." Guarding against "leftist tendencies" refers to the need to take note of the problem of "leftism" in ideology and guiding policies, as well as in the superstructure, within the party. I once said that at a certain period, the dangers of "leftism" would be greater than that of rightism because those engaging in "leftism" are found in the superstructure which wields tremendous party and state power. I have told some comrades that in summing up the different mistakes committed by the party in the past, it is primarily necessary to absorb the bitter lessons and prevent their repetition. Within our party, there are still those people, including comrades who were once struck and destroyed by the "leftist tendencies" of the past, along with a number of middle-aged cadres who are still deeply influenced by "leftist tendencies." When I proposed the emancipation of the mind, the first thing was to resolve the question of "leftist" influence in an individual. It might not be possible for some comrades to turn around completely from "leftist" thinking as they look upon dogmatism, bookishness, and formalism as the basic theories of Marxism and Leninism, theories which can not be touched, amended, or developed, as if they are the only ones who are thorough Marxists. I have said to them: Stagnation and conservatism will lead to errors. History and the later generation will criticize us. We have to explore, open the doors, and focus on the future of the country. Otherwise, we will be condemned by history. I know there are people who remain unconvinced by me, the "revisionist."



Deng Xiaoping went on: I have said to Jiang Zemin (CPC General Secretary) and the comrades of the Political Bureau: The work of the entire party should henceforth be carried out according to the decision of the Central Committee (Note: This refers to the decision taken in March this year by the CPC Central Committee's Political Bureau based on Deng's talks during his southern tour). In case some people disapprove and voice their views, that is permissible. They may also reserve their views, but no ambiguity can be allowed in implementation and no indiscriminate changes permitted.

#### **Personnel Appointment Key Issue at 14th CPC National Congress**

Deng continued: Preparations for this 14th CPC National Congress are progressing very well. However, there are those who interfere and those want to get a hand into the work. The key issue lies in personnel appointment. At the 14th CPC National Congress, those who should step down should step down—it is very good that some comrades have voluntarily offered to retire; those who should remain should remain; and those who should be promoted should be promoted.

#### **Deng Praises Jiang Zemin for Being Firm But Gentle**

In particular, Deng said that General Secretary Jiang Zemin has kept a steady hand at the helm and has shown himself to be firm but gentle in dealing correctly with some questions of principles. We the older generation should also learn from this. The sources added that even though Deng Xiaoping "does not particularly approve of the excessive caution and insufficient advances" made by the collective leadership of the third generation, and that "Jiang Zemin himself has made a self-criticism at a March conference of the CPC Central Committee's Political Bureau where he admitted a lack of sensitivity in seizing opportunities to promote reform and opening up as well as a lack of forcefulness in opposing "leftist tendencies," Deng was still full of praise for Jiang Zemin.

Hearing Deng's praise of the general secretary, Gu Mu, Yang Dezhi, and others indicated that they will do their best to coordinate with the party central committee headed by Jiang Zemin and play their roles in the reform and opening up.

Also present at the meeting were Yang Shangkun, Wan Li, Bo Yibo, and others.

#### **Top Party Officials Reportedly Attack 'Leftism'**

HK1006032892 Hong Kong THE STANDARD  
in English 10 Jun 92 p A-1

[By Cheung Po-ling]

[Text] China's top Communist Party officials attacked leftism in talks to the Central Party School, sources said yesterday.

The latest attack was made yesterday by party Secretary General Jiang Zemin during a three-hour talk to the school's students.

Elaborating on remarks made by patriarch Deng Xiaoping early this year, Mr Jiang criticised leftism and formalism and called for liberal thinking.

Last week in a speech delivered to the school, Politburo standing committee member Qiao Shi said: "The party, the country and even our leaders will perish if the leftism among the leadership fails to be removed."

Mr Qiao, also the school's nominal head, criticised a class on "anti-peaceful evolution" which was conducted, without his approval, at the school last year during the peak of the campaign, sources said.

In an earlier visit, Vice-Premier Tian Jiyun said the only "effective means to stem peaceful evolution, was to "speed up reforms and improve the quality of material and spiritual life of people".

#### **CPC Warns of 'Falsehood' in Combatting Leftism**

HK0906141892 Hong Kong CHENG MING in Chinese  
No 176, 1 Jun 92 pp 22, 23

[Article by Chang Ch'eng (4545 2110): "CPC Instructs Public Security Department That There Is No Need To Combat 'Left' Tendencies"]

[Text] The CPC has instructed the public security and judicial departments throughout the country that there are no tasks of combating "left" tendencies and eliminating the "left" tendencies in their work. It has demanded that more importance be attached to cracking down on "political turbulence." The document discloses the falsehood of "guarding against left tendencies" and "combating left tendencies," as alleged by certain high-ranking officials, as well as their stubborn, conservative, and autocratic political attitude.

In the beginning of April this year, the CPC sent down a "circular on the situation of the public security and judicial fronts," which instructs: The cadres, staff members, and workers at all levels of the public security and judicial fronts throughout the country must assiduously study "the gist of Comrade Deng Xiaoping's statement in Wuchang, Shenzhen, Zhuhai, and Shanghai" and vigorously support their local governments and large and medium state-owned enterprises to do a good job in all causes of economic reform. In his speeches, Comrade Xiaoping stressed: "It is necessary to insist on simultaneously doing two types of work—carrying on reform and opening up and cracking down on all kinds of criminal activities. Importance must be attached to both types of work. We must not be soft on cracking down on all kinds of criminal activities and wiping out all hideous phenomena." This passage of the instruction should become a guiding principle for how our public security and judicial fronts do their jobs well in the new situation.

### Public Security and Judicial Departments Need Not Eliminate "Left" Tendencies

The circular states that "cracking down on all kinds of criminal activities," as mentioned by Comrade Deng Xiaoping, includes both criminal activities and politically turbulent acts. Our public security and judicial fronts have no tasks of combating the "left" tendencies and eliminating the "left" ideological harm in their work from now on. Comrade Xiaoping's instruction on "mainly guarding against 'left' tendencies" is chiefly aimed at some ideological tendencies of the skeptical attitude toward reform and opening up in the economic realm and theoretical circles.

### Necessity of Thoroughly Cracking Down on Political Turbulence Stressed

The circular states that we must correctly understand Comrade Xiaoping's instruction, which means that economic reform and opening up must be guaranteed by the fact that our public security and judicial fronts are to be relied on to toughly crack down on all kinds of criminal activities. Therefore, the more successfully we crack down on criminal activities in our work from now on, the greater our insurance coefficient is, the more thoroughly the political turbulent elements are dealt a blow, and the greater the success in reform and opening up.

### All "Turmoils" Termed Counter-Reform Acts

The circular also analytically says that the outbreak of the previous several political turmoils, especially the serious turmoil in 1989, jeopardized and delayed our state's reform and opening up. It was, however, because the people who created turmoil frequently flaunted the banner of reform and opening up that some of our comrades were worried about whether or not the actions of cracking down on and wiping out turmoils were suppressing reform and opening up. While conducting ideological education among us in future, we must, therefore, stress all acts of turbulence jeopardize and threaten reform and opening up. Whatever banners those who instigate and participate in turbulence may flaunt, the resolute actions we take to check and suppress it are supporting and guaranteeing reform and opening up.

### Idea That Thought of Liberalization Cannot Be Put Into Practice Stressed

The circular demands that the public security and judicial organs unify their thinking in the issue of "ideological offense" that China has never had and conducts specific analysis, saying: Some people abroad are now criticizing that our country has the so-called "ideological offense" and some comrades among us also have such a muddled understanding. In fact, we have not convicted the intellectuals who merely have the thought of bourgeois liberalization, and all turbulent elements have been dealt with according to the criminal law because they put

their thought and viewpoint of liberalization into practice. For example, they organized reactionary underground organizations, wrote and put up reactionary slogans, printed reactionary propaganda articles, or directly incited people to make trouble on streets, instigated workers to go on strike, and incited shopkeepers' and students' strikes, and so on.

The circular says that Comrade Xiaoping has stressed: It is a matter of justice and is not wrong to apply the force of the people's democratic dictatorship and to consolidate the people's regime." In a period of time in future, this spirit and unified thinking must be applied in the public security and judicial work. Only by unifying thinking among us at a high degree can we really attach importance to cracking down on political turbulence; otherwise, we cannot support the arduous tasks of reform and opening up by our work of cracking down on criminal activities.

### CPC Wants To Send Officials to Singapore To Learn From Its Experience

Because Deng Xiaoping's speeches made during his southern inspection tour this year have mentioned: "Singapore's social order is good and its control is strict. We must draw on its experience and control better than it does." Under the excuse of carrying out Comrade Xiaoping's instruction, the CPC public security and judicial departments are now making arrangements for the organization of all categories of inspection groups and visiting delegations and will send them to Singapore to draw on its experience.

This document of the CPC has disclosed the falsehood of "guarding against left tendencies" and "combating left tendencies," as alleged by certain people. The essence of the 1989 democratic movement was to promote reform but was stigmatized as "jeopardizing reform." This confuses right and wrong and is extremely absurd.

### 'Crackdown' at People's University Reported

HK1006141292 Hong Kong AFP in English  
1357 GMT 10 Jun 92

[Text] Beijing, June 10 (AFP)—In a further sign of crackdown at a conservative Beijing campus, two graduate students of People's University were arrested in connection with a now banned book, sources said Wednesday.

Liao Jia'an, 24, and Wang Shengli, 26, were arrested separately Monday, the sources said. Both were enrolled in the philosophy masters degree program.

Police arrested Liao in his dormitory room after he had gotten home from work at the Sanwei Bookstore. Wang was arrested at his wife's apartment in a military compound in a Beijing suburb, the sources said.

The two were said to have been involved in a "serious case." Their arrest was likely related to a controversial

book, "Historical Trends," published in April by the People's University Publishing House, the source said.

Liao and Wang held a reading of the book and had helped distribute it before the ban, they said.

The university put a temporary ban on the book last month. A collection of essays attacking hardline Marxist pockets in China's communist party, it strongly backs senior leader Deng Xiaoping's recent reform drive.

People's University is one of China's most orthodox Marxist tertiary institutions. Its leaders were active in the ultra-leftist Cultural Revolution (1966-76).

The university last month also punished an associate professor who had protested the killing of her son during the 1989 Tiananmen Square crackdown.

Ding Zilin, a teacher of aesthetics in the philosophy department, was stripped of her communist party membership and barred from advising graduate students.

Liao and Wang were also aesthetics students, but it was not known if their cases were related to Ding's.

#### Universities Categorized for Unrest Potential

HK0906052692 Hong Kong CHENG MING in Chinese No 176, 1 Jun 92 pp 20-21

[Article by Kuan Chieh-min (7070 2212 3046): "Crises in Universities and Colleges Across Country"]

[Text] In the three years following the "4 June" incident, institutions of higher learning throughout the country have been shrouded in high CPC political pressure. The democratic and liberal thoughts of young students have been long suppressed, with the result that they have been feeling extremely down, without ambition or a future, and not concentrating on research and studies. Last November and this March, Communist China's State Education Commission submitted two reports on these conditions at institutions of higher learning, dividing the 800 or so full-time institutions of higher learning into five [as published] types and pointing out that "turmoil" might break out at any time at 10 institutions of higher learning.

#### A Generally Low Mood Among College Students

Early this March, Communist China's State Education Commission submitted to the State Council a report "on the recent condition of students of institutions of higher learning," revealing a situation of a generally low mood among college students throughout the country.

The report lamented: Less than 10 percent of students are willing to study their specialized courses well in order to make contributions to the country and the people; close to 50 percent are passive and dispirited with respect to CPC politics; close to 40 percent feel at a loss about their future; and there is a strong, bad trend of plagiarizing, cheating and hiring someone to write term papers in key colleges.

The report is 16 pages long and was based on reports on institutions of higher learning under the authority of provincial, city and autonomous regional education departments and those under State Council departments. The entire report is divided into five parts: The general situation of students' political ideology; the state of learning among students; students' choices for their futures and their ideals; opinions and suggestions of local departments; and the proposals and assumptions of the Education Commission.

#### Close to Half of the Students Are "Passive" in Political Ideology

The report says: A study has been made of students in some 50 key colleges and institutes throughout the country regarding their political ideology, learning and scientific research, attitudes toward their future, and their aspirations. In terms of their political ideology, 28 percent of the students were found to be passive; 19 percent dispirited; 32 percent forward-looking; and 21 percent active, forward-looking, and progressive.

On students' learning, the report says: 49 percent of the students study conscientiously and consciously, and of this number 27 percent have distinguished or good results; 40 percent do not pay serious attention to their studies, of whom 18 percent have relatively poor or poor results. This 18 percent includes those who quit or suspended their schooling in the middle of their studies.

#### Only 9 Percent Say They Are "Studying for the People"

On the students' views toward their future, and their choice of work and ideals after graduation, the report admits that 38 percent feel at a loss concerning their future; 30 percent are not interested in their major subjects, and only 9 percent said they are willing to study their major subjects well and are ready to work for the people where the state needs them most; and 90 percent of the students hope to stay and work in big cities, of whom 65 percent hope for an opportunity and conditions for overseas study or work with an overseas-based agency or firm.

#### "The Future: A High-Paying and Ideal Job"

Forty-five percent of the students stated explicitly: The future means an ideal job, with high pay and a nice family after a few years of work; and ideal means overseas study in Europe and America.

The report says that local education departments have pointed out that the following worries exist among educational workers at institutions of higher learning: Whether the present situation is a result of an unclear educational policy and a wrong educational direction, or the result of a fundamental flaw in the entire educational system?



### **A Life of Dissipation and Cheating in Examinations Has Become a Trend**

The report says: Conducting business activities on the sly; leading a life of dissipation; alcoholism; smoking; reading or watching pornographic novels and videotapes; absenteeism; and copying others' school work and cheating in examinations are widely practiced among students. Absenteeism in some subjects reaches as high as 20 percent or over. As many as 80 percent of students in the graduate classes at some colleges drink heavily and smoke. There are established trends in some key colleges of copying others' school work, doing school work for other students, cheating in examinations and hiring somebody to write graduation papers. Some teachers sit in examinations and write papers for students for cash rewards.

### **Classifying The Country's Institutions of Higher Learning**

Another report, the "report on an investigation into the general situation of politics, learning and order at institutions of higher learning across the country," also indicates that the situation at institutions of higher learning is not optimistic. The report was started last November by the State Education Commission and the educational departments of provincial, autonomous regional and city governments, and was based on the investigation and classification of the commission's "eight proposals on strengthening the political leadership at institutions of higher learning," approved by the State Council in April 1991.

The report divided institutions of higher learning throughout the country into four types:

The first type: The schools' party organizations are sound and effective; party and Communist Youth League [CYL] organizations among students develop normally; students' learning and ideological state and school order are stable and healthy.

The second type: The schools' party organizations are sound and normal; party and CYL organizations among students can function normally; students' learning and ideological state and school order are relatively stable.

#### **Unstable Elements in the Third Type**

The third type: The schools' party organizations are sound; party and CYL organizations among students are beginning to move toward normal activities after adjustment; students' learning and ideological state have shown progress and are developing in a healthy direction but with the interference and under the influence of unhealthy and unstable elements.

The fourth type: The schools' party organizations are basically sound and normal following adjustment and consolidation; party and CYL organizations among students are in a stage of restoration and adjustment; students' learning and ideological state and school order suffer interference from and are under the influence of

relatively many unstable elements; there is infiltration of domestic and foreign hostile forces and a market for bourgeois liberalization activities.

### **10 Universities Where "Turmoil" May Break Out at Any Time**

Of the 860 or so full-time institutions of higher learning, 10 are listed as ones where turmoil may break out at any time. These belong to the fourth type, namely: Beijing University, Beijing Normal University, Beijing Aerospace University, Northwest Engineering University, Wuhan University, Chongqing University, Sichuan University, Nanjing University, Henan University and Anhui University. The third type, that is universities where turmoil is likely or which may easily be involved in turmoil, are: Chinese People's University, Beijing Industrial University, Beijing College of Steel and Iron, Tianjin Nankai University, Zhejiang University, Fudan University, Hubei Jiaotong University, Guizhou University, Shenzhen University, Chinese University of Science and Technology, Shandong University and other institutions of higher learning, 62 in all. There are 658 listed as being of the second type, and some 130 listed as being of the first type.

### **"4 June" Crackdown Has Sowed the Seeds of "Turmoil"**

The situation detailed in the two reports by the State Education Commission may be exaggerated or inaccurate in an attempt to win merit or cover up failure, but it has alarmed the CPC: The worsening situation at institutions of higher learning has many causes. Foremost among them is the big "4 June" crackdown and massacre, which has left an indelible shadow on students' minds and created ideological confusion, which is also the root cause that may possibly lead to "turmoil," as pointed out in the Education Commission's reports.

### **Listing the Eight Points That May Lead to "Troublemaking" and "Turmoil"**

The State Education Commission has come up with eight points for the causes of possible "troublemaking" and "turmoil" at institutions of higher learning:

1. The bourgeois liberalization elements newly born within the party and coming from the scum of society, under certain circumstances within the country, make use of students as the advanced party in the bid to remove "power" from the party and government.
2. Hostile forces in society judge that the time is right, and engineer a climate of opinion, manipulating students and youths to stir up trouble.
3. Supported by Western anti-China and anticommunist politicians and groups, hostile overseas exiles and domestic bourgeois liberalization elements collude with and echo each other in stirring up trouble.

### Memorial Days and Festivals Become Sensitive Dates

4. Under certain conditions, exploitation of past political or historical events or festivals or memorial days for some figures and seizing on an incident to exaggerate matters and go to the streets to stir up trouble.

5. Organization of petitions on the eve of a festival or important conference to create conditions for instigation and stirring up trouble.

6. Seizing on government's or relevant departments' incompleteness and mistakes in policy implementation or handling of particular matters, and making extralegal demands on government; and staging students' strikes and street marches.

7. Seizing on some existing problems within the party or problems with some departments or individuals, and demanding reorganization of government or party departments or wanting the government or party to make promises or accept unreasonable demands or things they cannot do.

### The Claim That There Exist Cross-School and Cross-Regional "Illegal Organizations"

8. Pursuit of cross-school and cross-regional establishment of ties under the name of demanding reform in the educational system and setting up illegal organizations under the cover of probing and studying the educational system.

According to sources, the "eight points" of analysis by the State Education Commission are based on a summing up of the analyses made by the party committees of some key provincial universities of the possibility of "trouble" and "turmoil" at their local schools.

### Peng Chong Views NPC Principles in New Period

OW0506041892 Beijing XINHUA Domestic Service  
in Chinese 1030 GMT 4 Jun 92

[Text] According to XINHUA reporter Zhang Shutang and station reporter Liu Zhenying, Peng Chong, vice chairman of the Standing Committee of the National People's Congress [NPC], speaking yesterday at the opening ceremony for the second training class for NPC cadres, said that NPC work should be guided by the party's basic line. The NPC should make promoting the cause of reform and opening up to the outside world its primary function and attach great importance to promoting socialist democracy and improving the legal system. This is the guiding principle for NPC work in the new period.

According to a reliable source, the NPC Standing Committee plans to enable the over 10,000 NPC cadres at county and sectional levels throughout the country to receive training within a five-year period so as to raise their level of theoretical knowledge and enhance their professional skills.

In his speech, Peng Chong stressed the importance of strengthening the party's leadership over NPC work. He said the party will mainly assume leadership in connection with the line, principles, and policies, adding that the party does not intend to indiscriminately run things all by itself.

Peng Chong said: To safeguard the people's democracy, it is necessary to improve the legal system and to institutionalize and legalize democracy. In this way, the institution and the laws will remain unchanged with a change in leadership or with changes in leadership views and attention. To attain this goal, all party members and people throughout the country should work together.

Peng Chong held that socialist economic construction and reform and opening to the outside world must be safeguarded through the improvement of democracy and the legal system, adding that it is inappropriate to separate the two or to set one against the other.

He pointed out that only by fully developing socialist democracy and safeguarding the people's rights will it be possible to arouse the people's enthusiasm to the maximum, and that only by perfecting the socialist legal system will it be possible to operate economic activities on the basis of laws, thus ensuring and promoting the orderly progress of reform and opening up to the outside world. NPC work has its own characteristics and laws. It is mainly through the improvement of democracy and the legal system that NPC work serves the central task of economic construction and promotes national economic development.

Peng Chong said: The system of people's congresses is a fundamental political system in China; it is not a problem of any particular individual. This system should be viewed with the state system and the political system in mind. In this way, we will be able to strengthen our awareness of the needs of the people's congress system. Some people believe that the NPC's existence is immaterial. Others maintain that the NPC Standing Committee is an old woman serving as a hindrance. Still others regard the NPC Standing Committee as a place or an organ for making arrangements to resettle retiring veteran cadres and disabled soldiers; still others regard it as a government department. These views run counter to the provisions of the constitution and the law. It shows that some of our comrades' understanding of the people's congress system is rather poor. Therefore, we should strengthen propaganda and education in this connection.

Peng Chong stressed: Following the advancement of the socialist modernization drive and the deepening of reform and opening up to the outside world, responsibility shouldered by people's congresses and their standing committees has by no means lessened but has in fact increased. Therefore, people's congresses and their standing committees must improve themselves organizationally. They should make special efforts to improve cadre quality.

He said that people's congress cadres are composed of two types of personnel—elected government administrative personnel and government functionaries. Peng Chong held that government administrative personnel should have some ability to do social work and discuss state affairs. That is to say, they should be able to examine and make decisions on major state matters. It is necessary to include a certain number of well-experienced veteran comrades among government administrative personnel. It is permissible if their age is a bit higher than that of government department cadres, but they must be able to carry on normal work. Meanwhile, it is also necessary to include a number of comrades who are still in the prime of life and also to recruit a number of comrades with specialized knowledge, so as to rationalize the age and knowledge distribution among standing committee members.

Peng Chong said that the system of permanent full-time jobs for people's congress organs must be instituted and that members of a people's congress standing committee must be replaced and elected at fixed intervals, but the contingents of organ cadres must remain stable. Congress organs must operate normally, even when a new congress is being elected. People's congresses should systematically implement the public service system being implemented by government organs. The hiring, evaluation, and promotion of congress organ cadres must be based on regulations.

#### **Peng Zhen Speeches on Politics, Law Published**

OW0606023292 Beijing XINHUA Domestic Service  
in Chinese 1450 GMT 5 Jun 92

[Text] Beijing, 5 June (XINHUA)—The book *Political and Legal Work in New China* by Peng Zhen, published by the Central Party Literature Research Center Publishing House, was recently released nationwide by the Xinhua Bookstore.

This book, which contains 71 articles and 290,000 characters, is a collection of speeches and reports made by Comrade Peng Zhen on political and legal work from 1948 to 1990. In these speeches and reports, Comrade Peng Zhen made many important explanations on building the authority of the people's democratic dictatorship; the basic tasks, principles, and policies of public security, prosecution and judicial work; the guiding principles of legislative work; and on building public security units, the procuratorate, and the judiciary. Combining theory with practice, these explanations expounded the historical process and basic experience of the party and state in leading people of all races in the country to build and consolidate the power of the people's democratic dictatorship, to develop socialist democracy, and to perfect the socialist legal system. They have important and real significance in our efforts to build socialism with Chinese characteristics.

#### **National Campaign Publicizes Women's Rights Law**

HK1006030892 Beijing CHINA DAILY in English  
10 Jun 92 p 3

[By staff reporter Wang Rong: "Women's Rights Awareness Drive Put on the Move"]

[Text] A nationwide campaign starts today to give every Chinese a better understanding of the Women's Rights and Interests Protection Law, adopted in April and to go to effect on October 1 this year.

At a news conference yesterday All-China Women's Federation (ACWF) announced that a package of varied activities, aimed at implanting and deepening people's sense of "a law that protects women," is to unfold in the coming 30 days. It should give ordinary people an idea of the meat of the law.

The Month of Women's Law was designed to get the implementation of the law off to a good start. It was passed as a basic law at the fifth session of the Seventh National People's Congress (NPC).

The law makes China the first country to legislate a comprehensive and action-oriented law exclusively for women.

"We hope by the end of this campaign everyone, both men and women, will have a clear and strong idea what the law is about and how women can use it for self-protection," said Guan Tao, secretary-general of ACWF.

A series of booklets covering women's rights and interests and how they are protected by the new law will be published nationwide, and illustrations of the law will be exhibited. China Central Television (CCTV) will co-operate by broadcasting a series of programmes, including a lecture on the law, a special performance show, and a short TV play—Woman. Four women's newspapers and magazines will also sponsor a national quiz pertaining to the law.

A notice has been passed around in the name of 15 ministries and commissions concerned, from the Ministry of Public Security to the Labour Ministry, demanding local governments and units create a feasible plan for the campaign and have one leader take charge of the job.

The notice made it a point that the campaign should by no means turn out to be superficial or sheer lip-service.

Spreading knowledge of the law must coincide with all the on-going activities women's organizations at all levels are presently engaged in, such as literacy education, advanced farming techniques, training for rural women, raising girls' enrollment rate in elementary schools in rural areas, improving women worker's welfare during their motherhood, eliminating women's and children's abductions and preventing prostitution.

Major efforts should be made at places where people have a weak sense of the law and women are more likely



to encounter ill treatment or have their legally-bestowed rights violated, the notice emphasized, singling out remote rural areas.

Passed around the conference was yesterday's China Women's News, with a lead story, accompanied with a commentary, about a case of a husband beating his wife to death. It illustrated the consequences of law-blindness.

As reported, a woman worker in Luoyang, Henan Province, was beaten to death last month by her husband, who cuffed and kicked and beat her up with a thick rolling pin for four hours.

### Military

#### Army Paper Defends SEZs' Socialist Nature

HK0806073892 Beijing JIEFANGJUN BAO in Chinese  
22 May 92 p 5

[Article by Lan Zhongping (5695 1813 1627): "Why Do We Say That Special Economic Zones Are Socialist Rather Than Capitalist in Nature"]

[Text] China has attained world acknowledged achievements in establishing the special economic zones (SEZs) since reform and opening up. However, there are some people who believe that the prosperity of the SEZs is an outcome of capitalism and is paid for at the expense of socialist spiritual civilization. Some are even worried that the development of the SEZs will gradually lead to capitalism. This is groundless.

First, viewed from the essence of the SEZs, it is still socialist in nature, as predominance of the socialist public ownership remains unchanged. Take Shenzhen as an example, socialist public enterprises account for the dominant position while foreign invested enterprises account for only one-fourth. The state- and collectively-owned enterprises always control the economic lifelines of the SEZs and the Chinese Government can apply various economic and legal means to bring the three kinds of foreign-invested enterprises onto the track of planned socialist commodity economic development.

Second, viewed from the contents of the special policies implemented in the SEZs, the nature of socialism remains unchanged. The SEZs are economic rather than political. In foreign economic relations, the SEZs apply special policies and flexible measures and adopt the preferential methods of tariffs exemption to attract foreign investment and attain a certain economic objective. In various economic activities, foreign investors must follow China's basic principles for foreign economic relations. In running enterprises in China, foreign investors must abide by China's constitution and laws. Moreover, the SEZs are administrative regions where China absolutely exercises sovereignty under CPC leadership. The party organizations at all levels in the SEZs are perfect and most of the three kinds of foreign-invested

enterprises have party organizations. In their work, the SEZs have upheld the four cardinal principles, done two types of work simultaneously and attached equal importance to both, and resolutely cracked down on all kinds of ugly social phenomena and offenders involved in corruption and bribery, thus creating a stable, healthy social environment for economic and social development.

Three, viewed from practice, the SEZs have instilled vitality to the socialist economy and paid equal attention to the building of material and spiritual civilization. The establishment of the SEZs has resulted in the unprecedented development of China's export-oriented economy. According to a 1990 estimate, the level of the SEZs urban technological progress was 13 percent higher than the cities in other parts of the country. The level of urban technological progress in the four SEZs of Shenzhen, Zhuhai, Shantou, and Xiamen in 1990 rose around 100 percent over 1989 and the value of their 1990 exports increased by 800 percent over 1985. Compared with 1980, Xiamen's total industrial output value, GNP, and revenue in 1990 increased by 620 percent, 380 percent, and 460 percent, respectively. While economic construction grew rapidly, the SEZs education, science and technology, culture, and public health also developed correspondingly. The SEZs are characterized by economic prosperity, better living standards, and the first to attain the target of comparatively well-off level. Moreover, society and order are stable, the environment is beautiful, and the building of socialist spiritual civilization is strengthened. During the 1989 political disturbance, the SEZ people who became affluent cherished stability and opposed turmoil with a clear-cut stand. When some provinces and cities were suffering from the floods last year, the SEZ people vied with one another in making donations. The Xiamen SEZ also showed concern for and supported army building and was elected as a national model city in making joint Army-people efforts to build material and spiritual civilization.

Fourth, from a long-term point of view, the SEZs will spur the economic take-off of the entire country and eventually lead us to embark on the road of common prosperity. The uneven development between the SEZs and the interior is but a temporary phenomenon. Facts have proved that the development of the SEZs by leaps and bounds in recent years has promoted economic progress of the interior. For example, the Xiamen SEZ has played the demonstration role of "a showcase of technology, management, knowledge, and open policy" since its establishment a decade or so ago. By the end of 1990, the city approved the establishment of 1,091 enterprises in cooperation with the 23 provinces, autonomous regions, and municipalities and 25 central level departments, with a registered capital of 1.017 billion yuan. Exports of these enterprises accounted for one-fifth of the city's foreign trade and their industrial output value, 8 percent. Moreover, under the socialist system, the developed regions can support the underdeveloped regions by gradually delivering more profits and taxes.

which can avoid polarization. With the help of the SEZs, the underdeveloped regions can "borrow boats to go fishing," become affluent step by step, and attain the comparatively well-off target.

#### **Final Accounting, Auditing of Expenditures Viewed**

*HK0906134992 Beijing RENMIN RIBAO in Chinese  
31 May 92 p 3*

[By Wang Yihua (3769 5030 5478): "Initial Achievement Made in All-Army Outlay Final Accounting"]

[Text] Beijing, 30 May (RENMIN RIBAO)—In line with the unified preparations of the Central Military Commission [CMC], various units of the People's Liberation Army [PLA] actively started the final accounting and auditing of expenditures and obtained obvious achievements. At the PLA Report-Back Meeting on the Work of Final Accounting and Auditing, which ended today, Zhao Nanqi, CMC member and head of the PLA Leading Group for Final Accounting and Auditing, called on leaders at all levels to conscientiously use Comrade Deng Xiaoping's important thought regarding "grasping with both hands [doing two types of work simultaneously]" and "attaching equal importance to both" as the guiding principle; implement the important instructions or written instructions given by CMC Vice Chairman Liu Huaqing, CMC Secretary General Yang Baibing, and Chief of General Staff Chi Haotian; keep up the good work and conscientiously implement it; and satisfactorily complete the task of final accounting and auditing entrusted by the CMC.

The expenditure final accounting and auditing this time, which was aimed at accommodating the need of the reform and development of the armed forces, correcting the question of losses and waste in expenditure use resulting from people's breaking financial discipline, and improving the economic returns of military affairs and strengthening the building of troops, and which was launched in the entire armed forces began in March with the approval of the CMC. Party committees at all levels of the troops attach great importance to the work and vast numbers of officers and men enthusiastically support it. With over 30,000 persons and over 7,300 auditing groups involved, the task of self-auditing in several thousand units at and above the regimental level was all completed in two months or more. Through self-auditing, it has been possible to have a preliminary clear idea of various disposable expenses, and unearth various discipline-breaking problems such as some people's receiving more than their due, owning "small treasures," arbitrarily paying living expenses subsidies, bribery, and bribe taking.

In the process of expenditure self-auditing, various units conscientiously implemented the principle of correcting bad practices as the auditing proceeds with the result that the majority of units have returned, on their own initiative, overdrawn board expenses, retirement expenses, and traveling expenses for relative visits, and

that a few units have allocated public affairs funds to basic-level units. The 326 "small treasures" unearthed have all been canceled and the amounts have been turned over to financial departments for unified management and use. Some serious graft and bribe taking cases have either been filed or officially handed to judicial departments for further action. Many units have used, on their own initiative, their fundamental expenses to balance their overexpenditures over the years.

After examining the "Report on the Work of the Entire PLA's Final Accounting and Self Auditing" given by the PLA Leading Group for Final Accounting and Auditing, Vice Chairman Liu Huaqing gave the instruction: It is necessary to conscientiously do this work so good achievements can be made.

Secretary General Yang Baibing wrote this instruction on the Report: "For more than two months of final accounting and auditing, people in the entire PLA worked hectically, and obtained obvious achievements in having a clear idea of various expenses, in correcting problems relating to the violation of financial discipline, and in unearthing law-breaking cases. This shows that the work is quite necessary. Under new circumstances, new situations and problems have appeared in the process of enforcing financial discipline. Therefore, we should pay more attention to auditing work. In forthcoming cross-auditing and sample-auditing, it is necessary to proceed with the work and make studies and improvements at the same time, and cope with existing problems, and adopt practical measures to strictly enforce financial discipline. Despite the preliminary achievements, the forthcoming task is still heavy. I hope they will keep up the good work and conscientiously do it and satisfactorily complete this task entrusted by the CMC.

After examining the Report, Chief of General Staff Chi Haotian showed full approval of the preparations and demands for the work.

After fully affirming the achievements obtained at the preliminary stage of auditing, Zhao Nanqi said: The preliminary auditing was only preliminary examination. The forthcoming cross-auditing and sample-auditing present a more arduous and complicated task. Only by insisting on implementing the plans for implementation approved by the CMC and by using effective measures and appropriate methods will units at all levels be definitely able to satisfactorily complete the task entrusted by the CMC.

#### **Commentator on Militia Grass-Roots Units Building**

*HK0906135192 Beijing JIEFANGJUN BAO in Chinese  
20 May 92 p 1*

[Commentator's article: "Strengthen Building of Militia Grass-Roots Units—Congratulating Convention of National Meeting on Building of Militia, Reserve Force Grass-Roots Units"]

[Text] At a time when the Army and the people throughout the nation are studying and implementing Comrade Deng Xiaoping's important talks during his southern tour and on the eve of the 30th publication anniversary of Comrade Mao Zedong's directive that militia work must be carried through organizationally, politically, and militarily, the national meeting on the building of militia and reserve force grass-roots units was solemnly opened, which studied, in a concentrated way, how to strengthen the building of militia and reserve force grass-roots units and mobilize militiamen and officers and men of reserve service units across the country to make greater contributions to strengthening national defense and developing the economy as quickly as possible in the new situation of faster reform and opening up. We wish from the bottom of our hearts the meeting is a complete success.

Jiang Zemin, chairman of the Central Military Commission, emphatically pointed out: "The building of reserve forces should be put on a solid footing to ensure that they are ready to assemble at the first call and capable of fighting and winning. What counts in this regard is strengthening the building of grass-roots units. Grass-roots units constitute the foundation of the whole reserve forces. Strengthening the building of militia and reserve force grass-roots units is a strategic task of building national reserve forces. Only when a good job is done in grass-roots units can the work in all fields be genuinely carried out, and can we have a powerful combat capability and effectively discharge our own functions. The current situation of our army's building of reserve forces is fine. However, the building of grass-root units is still facing many problems. Some militia organizations are inadequately sound; the quality of militia education and training in some units is poor; and some militia organizations failed to function as they should. If this situation is not changed, it will be impossible to carry out the major and specific principles established by the party Central Committee and the Central Military Commission to the letter and it will also be impossible for us to more effectively build a powerful and solid national defense. We must further enhance our understanding, work out effective measures and methods in view of the problems facing the building of grass-roots units, and implement them one by one to ensure good results are achieved.

Reform is a powerful dynamic force pushing China's socialist modernization ahead. As the drive of reform and opening up to the outside world develops in depth, our Army's reserve force building is also facing a new opportunity and challenge. Comrades on the people's armed forces front should willingly subordinate themselves to the state's overall situation, actively adapt themselves to the requirements of reform and opening up, constantly study new developments, and solve new problems. For example, how to develop the fine tradition of the party managing the armed forces and uphold the various rules and regulations concerning militia work well to ensure the implementation of the gist of the party

Central Committee's directive that militia work can only be strengthened and not weakened is a big question calling for serious study and probing. Various localities already have some good ways of doing things. We are convinced that more successful experiences will surely emerge in practice. Militia work in cities is the focal point of our Army's reserve force building. People's armed forces in factories, mines, and enterprises are an important link of militia work, which we should do well. To strengthen the building of militia and reserve force grass-roots units, it is necessary to make great efforts to consolidate and augment the building of the grass-roots units of people's armed forces. Meanwhile, it is also necessary to attach importance to the selection, training, and improvement of people's armed forces cadres, help them master the skills to do people's armed forces and economic work to meet the higher demands set by the new situation on militia and reserve force work.

Strengthening the building of militia grass-roots units is an arduous systems engineering undertaking that needs the powerful support of local party committees and governments at all levels and the concerted efforts of comrades of the whole Army. Comrades on the people's armed forces front constitute the main force for the building of defense reserve forces. They are all the more shouldering grave and heavy responsibilities. The party and the people place great hopes on us. We should further rouse ourselves, seek the truth by dealing with concrete matters in work, forge ahead while breaking new ground, and work hard to push the building of militia and reserve force grass-roots units to a new height by seizing the opportunity of the current meeting.

#### **Jiang Zemin Confers Sports Title on Soldier**

OW1006102492 Beijing XINHUA Domestic Service  
in Chinese 0829 GMT 10 Jun 92

[Excerpt] Beijing, 10 Jun (XINHUA) —The CPC Central Military Commission recently issued a decree to confer the honorary title "Trailblazer in Sports" on a great speed skier, Ye Qiaobo.

The decree, signed by Jiang Zemin, chairman of the Central Military Commission, said: Ye Qiaobo is a sportswoman on a speed skiing team attached to an ice training base of the People's Liberation Army. [passage omitted]

The decree said: The glorious achievements made by Ye Qiaobo in sports competitions are the results of her painstaking training and tenacious struggle. Since joining the Army, she has cherished an ambition to win glory both for the motherland and the Army. She has immersed herself in sports with firm convictions and lofty ideals. She is imbued with strong determination, a scientific attitude, and indomitable courage. She conscientiously faced increasing hardships in her training, and seized every minute and second to undertake tactical and technical training relentlessly and ungrudgingly, thereby surmounting one difficulty after another and one



crag after another, scoring victory after victory in scaling the mountain of world ice sports. She eventually ascended to the pinnacle.

The Central Military Commission's decree called on cadres and fighters of the entire Army, especially comrades on the sports front, to learn from Ye Qiaobo. It also urged cadres and fighters to emulate her boundless loyalty to the party, to the Army, and to socialism; to emulate her noble thoughts in dedicating her limited sporting life to the sports undertakings of the motherland; to emulate her revolutionary spirit in staging a staunch struggle, in forging ahead, and in scaling the heights unflinchingly; and to emulate her fine style of sticking to her own post and rendering her service in a down-to-earth, humble, and prudent manner without displaying a sign of vain glory and without seeking undeserved fame. Like comrade Ye Qiaobo, we must cherish the motherland in our hearts, work hard and doggedly, strive for excellence, and exert our best for the sake of implementing the party's basic line of "one central task and two basic points" for the sake of accelerating the revolutionization, modernization, and regularization of the Army.

#### **Zhejiang's Li Zemin Addresses Militia Congress**

OW1106023292 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 10 Jun 92

[Report by station reporters Huang Yuncheng and Chai Xueyue; from the "Provincial News Hookup" program]

[Text] The third provincial congress of militiamen ended this afternoon. At the congress, 118 advanced units and individuals were commended by the provincial party committee, the provincial government, and the provincial military district; and a title of model militia worker in Zhejiang Province was conferred on Wang Yuxia.

Li Zemin, secretary of the provincial party committee and first secretary of the party committee of the provincial military district, delivered an important speech at the congress. He praised militiamen in Zhejiang for having accumulated rich experiences and fostered fine traditions by persistently subordinating themselves to the overall interests of economic construction and adapting themselves to the needs of defense construction. He urged militiamen and reserve personnel at large to fulfill the historical mission of accelerating reform and opening up through exerting themselves, making useful suggestions, and safeguarding reform and opening. He called on party, government, and military organizations at all levels to exercise greater leadership over militia work in line with the party Central Committee's general requirement for strengthening, not weakening, militia work so that it can be promoted in harmony with economic construction.

Yuan Xinghua, chief of staff of the provincial military district, officiated at the closing ceremony. Deputy Commissar Nie Quanlin read a bulletin issued by the provincial party committee, the provincial government, and

the provincial military district on commending advanced units and individuals and a decision by the provincial party committee and the provincial military district to confer the title of model militia workers on Comrade Wang Yuxia.

Officials from relevant departments under the General Staff and Political Departments and the Nanjing Military Region also spoke at the congress.

Xue Xingguan, Yang Bin, Yang Shijie, Chen Yuexing, and other provincial leaders, as well as official from other provincial departments concerned, were present at the closing.

#### **Troops on Border Support Economic Construction**

HK1106065092 Beijing XINHUA Domestic Service in Chinese 0443 GMT 5 Jun 92

[By reporter Yang Mingqing (2799 3046 7230): "Troops Based on Northeastern Border Actively Support Economic Construction in Open Ports"]

[Text] Shenyang, 5 Jun (XINHUA)—Officers and men of the troops stationed on the northeastern border are actively supporting economic construction in open ports, thus making contributions to local economic leaps. According to statistics, since last year various troops have spent 1.08 million work days and dispatched 14,000 machines and vehicles to participate in the construction of more than 150 large projects in the localities in which they are stationed, including industrial, agricultural, communications, energy, and environment protection projects.

Around the northeastern border, China has consecutively opened ports of strategic importance in Yingkou, Dalian, Dandong, Huichun, Suifenhe, Tongjiang, Jiamusi, Heihe, and others. Troops stationed in these areas frequently form links for local foreign trade departments during border talks and meetings and provide all kinds of economic information. Many units have taken the initiative in undertaking urgent, hard, dangerous, and heavy projects as well as public welfare construction projects. Some units have vacated their barracks in busy downtown areas to meet local overall planning needs. Many military-run enterprises have cooperated with localities in joining the big international economic cycle. Not long ago, China and Russia pooled capital to develop Beihai Park in Suifenhe City. A military unit stationed in the locality undertook the arduous task of digging an artificial lake covering 120,000 square meters. Officers and soldiers of this unit fulfilled the task ahead of schedule after working hard amid spring cold when the land was still frozen. A border regiment of the Jilin Military District, after completing its training tasks and sentry duties, delivered letters for the relevant department, engaged in business talks for it, and assisted it in barter trade. The regiment has made contacts on several hundred occasions on cross-border matters and created a foreign exchange income of over 10 million yuan.



Signal, engineering, antichemical warfare, mapping, and other professional troops stationed on the northeastern border are actively displaying their professional skills and strong points and enthusiastically serving economic construction and the people's living. In the spring of this year, a blueprint needed to be drawn up as soon as possible for the Sino-foreign joint-venture construction of the Chinese International Yacht Club on Jinshi beach. After completing an engineering mapping task in Dalian's Western Pacific Petrochemical Factory, a mapping group of the Shenyang Military Region went directly to a new mapping area without returning to its barracks. Officers and men completed the mapping task ahead of schedule after battling hard for half a month in the piercingly cold sea water, creating conditions for a smooth start to the construction of the international yacht club.

### Economic & Agricultural

#### State Council Replaces Production Office

OW1106070692 Beijing XINHUA in English  
0658 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—The State Council has set up an economic and trade office to replace its Production Office, according to a notice issued recently by the council.

The new economic and trade office has started operation according to its new functions and tasks.

The office is set up to strengthen macro control and coordinate routine economic operations in line with the accelerated pace of reform and opening to the outside world and new economic development in the country.

Vice-Premier Zhu Rongji serves as director of the newly-founded office.

#### Finance Experts Urge Speeding Financial Reform

OW1006223592 Beijing XINHUA Domestic Service  
in Chinese 0456 GMT 10 June 92

[By reporter He Daxin (0149 1129 2450) and correspondent Zhao Nailin (6392 0035 2651)]

[Text] Shenyang, 10 June (XINHUA)—How do we interpret the "stock fad" currently sweeping China? How do we further intensify financial reform? Scores of Chinese and foreign financial experts and scholars gathered in Shenyang in early summer [as received] to freely express their ideas and views during a discussion of issues regarding the development of China's financial markets.

During the discussion, the experts gladly noted the ripe opportunity for establishing and improving fairly standardized financial markets thanks to the gradual intensification of reform and openness at various social strata in China, the solution of many contradictions that have

affected economic activity over the years, the current move of enterprises into the market, and the formation of a new development model for a commodity economy.

According to an analysis by the participants, the development of a shareholding system and stock markets is one of the effective means for attaining the goals of reform. The shareholding reform is now proceeding swiftly in the country. There are approximately 4,000 various joint stock enterprises throughout the country. The practice has effectively attracted large amounts of funds from domestic and foreign sources, especially large quantities of funds from the private sector. It has promoted democratic enterprise management, increased worker affinity for enterprises, and sharpened the workers' sense of being masters of their own enterprises. Currently, the main trend of development is favorable for China's financial markets, with huge quantities of consumption funds being converted into production funds. By the end of 1991, over 200 billion yuan's worth of stocks, corporate bonds, financial bonds, state treasury bills, and various types of securities had been issued. Trading hit 46 billion yuan in 1991 alone. People are rapidly gaining a stronger financial concept in the face of growing financial markets. Finance is the "principal activity" in modern economic development. This "principal activity" is beginning to hum.

The experts and scholars issued the following admonition: China must accelerate financial reform as its economic reform enters a crucial phase. We must take China's reality into consideration and provide the necessary assistance for developing and nurturing financial markets. Various sectors in the country should experiment boldly, exercise care in actual experimentation, and refrain from forging ahead recklessly in building and improving financial markets.

#### Central Bank Issues Firms' Fund-Raising Rules

HK1006135492 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 21, 1 Jun 92 pp 28,29

["China Economic News" article: "People's Bank of China Outlines New Rules on Internal Fund Raising"]

[Text] The People's Bank of China recently defined the rules concerning internal fund raising by enterprises, asking that such activities be carried out in line with the relevant policies of the state and be incorporated into the scope of state credit and investments.

One. Internal fund-raising by an enterprise should be restricted to productive enterprises. It can only apply for permission to raise funds internally after fulfilling its obligations to subscribe to national debts.

Two. Funds raised by an enterprise internally through the issuance of bonds should ordinarily be used only to supplement operating capital.

Three. Fixed assets investments financed by funds raised internally by an enterprise should be incorporated into

the scope of fixed assets investments of the state and a corresponding deduction taken off fixed assets loans; the time limit of bonds issued internally by an enterprise should not exceed one year; and the annual interest rate should not be higher than 40 percent of the bank deposit rate for the same period.

Four. The total amount of funds raised internally by an enterprise should not exceed the total amount of operating funds needed for the normal operation of the enterprise. All of the cash raised by the enterprise should be deposited with a relevant financial institution where the enterprise has an account and should not be used in any way. In case the need arises, the money may only be used as temporary revolving capital for the enterprise.

Five. Internal bonds issued by an enterprise may not be transferred publicly.

Six. Daily supervision and management of internal fund raising by an enterprise will be carried out by a financial institution where the enterprise has an account and which is appointed by the People's Bank.

#### **Automobile Manufacturing Zone Seeks Investors**

OW0806024692 Beijing XINHUA in English  
0221 GMT 8 Jun 92

[Text] Wuhan, June 8 (XINHUA)—China's largest automobile industry belt comprised of Shiyan, Xiangfan, and Wuhan cities in central China's Hubei Province has accelerated efforts to further open to the outside world.

Xiangfan City, the hub of the belt, has completed construction of the 720-million-yuan Xiangfan Automobile Industry Economic and Technological Development Zone.

The zone, which covers some 43 square kilometers, is home to China's largest diesel engine factory and the largest automobile testing grounds in Asia.

To date, an automobile engine and diesel engine factory and a casting plant have been constructed in the zone, and by 2000 the output value of the zone is expected to reach 10 billion yuan.

According to Xiangfan Mayor Jia Tianzeng, the zone will offer a number of preferential policies for foreign and domestic investors, including attractive land-lease policies.

He said that Xiangfan has a good investment environment, and the zone not only borders on the Hanjiang River, but also has access to three railway lines and two civilian airports within 50 kilometers.

#### **Zhu Rongji on Development Policy**

HK1106010892 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 21, 1 Jun 92 p 29

["China Economic News" article: "Zhu Rongji Speaks on Development of Automobile Industry"]

[Text] Vice Premier Zhu Rongji recently spelled out the following policy suggestions concerning the development of the automobile industry. 1) The development of the automobile industry should be based on the prevailing conditions. Investments peaks [tou zi gao feng 2121 6327 7559 1496] should be avoided and overall planning carried out. 2) The (yiweke) [0181 4850 2688] model should boost the development of light automobiles first. 3) The scale of facilities for the production of automobile parts should be appropriate, and the shareholding system may be adopted so that auto body manufacturing plants and spare parts manufacturing plants can share the risks. 4) An automobile design and manufacturing center should be set up in order to enhance the development of automobile products as well as boost the capacity to change models.

#### **Government Plans Exchange Control Deregulation**

HK1106010792 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 21, 1 Jun 92 p 29

["China Economic News" article: "Official Reveals Government Plan to Grant Enterprises More Authority on Using Foreign Currency"]

[Text] Yin Jieyan, director of the State Administration of Exchange Control, indicated the other day that the government plans to grant enterprises more authority on the use of foreign currency. Furthermore, the State Administration of Exchange Control also intends to link up the country's foreign currency regulatory markets.

Yin Jieyan claims that the State Administration of Exchange Control presently exercises very tight control and should delegate some of its powers to enterprises. Moreover, foreign currency regulatory markets in the country all carry out their transactions independently, which creates enormous differences in exchange rates.

Last year, China's foreign currency reserves rose by 25 percent and stood at more than 40 billion dollars. Yin said that the transformation of the Renminbi into a convertible currency in the international market is the long term plan of the government. However, a definite implementation date has not been established.

#### **Commitment To Further Open to Foreigners Affirmed**

HK1006140892 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 21, 1 Jun 92 p 29

["China Economic News" article: "Trade Minister on Study To Open More Domain to Foreign Capital"]

[Text] Li Lanqing, the minister of foreign economic relations and trade, revealed recently that the Chinese Government is presently considering ways to open up more appropriate domains to foreign capital. With regard to areas that have basically not been open to foreign capital in the past, like commerce, foreign trade, banking, insurance, transport, and aviation, it is studying which areas should be opened to foreign capital

and which should be subject to experiment and the acquired experiences popularized later.

Li Lanqing indicated that while no final decision has been made on the aforementioned measures, the principle of expanding the scope of opening up has already been established. Li Lanqing also pointed out that the areas opened to Taiwan capital may be similar to the ones opened to foreign capital and may be expanded further. Meanwhile, certain areas that are barred to foreign capital may be made available to Taiwan compatriots following consultations because the people on both sides of the Strait are all Chinese.

Li Lanqing maintained that the key issue at the moment is to operate all existing foreign equity enterprises effectively by creating normal conditions of operation and perfecting relevant laws and regulations. He revealed that the Chinese Government is also considering efforts to create the conditions needed to attract high technology as well as capital-intensive enterprises and to open up the domestic market to the products of these enterprises.

#### **Roundup Views South as Foreign Investment Base**

OW0806111692 Beijing XINHUA in English  
1037 GMT 8 Jun 92

["Round up: Southern China Becomes Important Base and Prism for Foreign Investment"]

[Text] Guangzhou, June 8 (XINHUA)—Southern China has become the country's main base and radiation point for foreign investment.

A survey report shows that more and more foreign investors have widened their operation scales since they started to make profits and shifted to technology-intensive from labor-intensive production. Some have expanded their businesses to the interior parts of the country.

A number of consortia have joined localities in Guangdong, Fujian and Hainan Provinces in improving infrastructural facilities.

The Santeixing Industrial Company Ltd, a Singapore-run firm, was set up in Xiamen, one of the special economic zones in Fujian Province, on a trial basis with an investment of 500,000 U.S. dollars in 1985.

A company official said that it was unexpected that the company went into operation the same year and recovered all the investment.

"Satisfied with the result," the official noted, "the company began to make an additional investment the next year, and now the total investment stands at 6.8 million U.S. dollars."

So far the company has more than 1,000 employees and workshops and office buildings with a combined floor space of 13,000 sq m [square meters].

The modernized company exported 14 million U.S. dollars-worth of computer products to the United States, Japan and European countries last year, 21 times the amount of exports from the company in 1986, the second year of production.

Santeixing is a typical example of thousands of overseas-funded enterprises in China.

After making profits, a number of powerful overseas-funded enterprises began to develop into groups.

Procter and Gamble (Guangzhou) Ltd, a joint venture between an American company and A.S. Watson of Hong Kong, is known for its successful co-operation.

Developed from the former workshops of the Guangzhou Soap Plant in this capital of Guangdong Province, with an investment of 19 million U.S. dollars, the company now sells its products to more than 20 provinces, municipalities and autonomous regions as well as Hong Kong and Southeast Asian countries.

As China opens wider to the outside world, more and more foreign consortia are interested in investing in infrastructural facilities.

Hainan Province, China's largest special economic zone, is encouraging foreign business people to undertake infrastructural construction and develop projects on stretches of land in its Yangpu Economic Development Zone. Fujian Province is preparing to open up 50 sq km of land with foreign investment.

After a dozen years of effort, southern China has provided itself with advanced transportation and telecommunication facilities and energy supplies.

By the end of last year Guangdong, Fujian and Hainan had approved the establishment of 25,000 overseas-funded enterprises, accounting for two-thirds of the country's total. They have already used 20 billion U.S. dollars, accounting for one quarter of the total.

According to statistics, more than 80 percent of these enterprises are profitable, and over 20 percent of them have increased their investment each year.

Business people in Hong Kong, bordering on Guangdong Province, who took the lead in investing in southern China, are advancing into the hinterland. Their total investment in the mainland accounts for about 70 percent of the country's total.

Business people from Taiwan have also expanded their investment from southeastern coastal areas to other parts of the mainland.

At present, not only more than 1,000 foreign consortia, banks and businesses but also provinces, municipalities and autonomous regions have set up agencies in southern China, which has become a "showcase" and a "bridge" linking foreign investors and Chinese enterprises.



By opening hotels and plants in Xiamen, Fujian Province, the Henxin Jili Company Ltd gradually learned more about the situation on the mainland and the central government's policies, and has expanded its investment.

So far, it has opened 18 enterprises in Guangdong, Fujian and Hainan Provinces as well as in Nanjing, capital of Jiangsu Province, Qingdao in Shandong Province, and Changchun, capital of Jilin Province. Its investment has expanded from constructing tourist facilities and processing industry to real estate.

Starting in 1990, a number of large overseas enterprises began to invest in China's infrastructure construction.

Included are the Guangzhou-Shenzhen-Zhuhai super-highway in Guangdong Province, which is being built by a Hong Kong company with an investment of over one billion U.S. dollars, and industrial zones in Fujian Province being built by the Ikawa Trust Group of Japan.

#### 'Roundup' on Foreign Tertiary Sector Investment

OW0806083692 Beijing XINHUA in English  
0755 GMT 8 Jun 92

["Roundup: Foreign Investment Boosting China's Tertiary Sector"—XINHUA headline]

[Text] Beijing, June 8 (XINHUA)—Following the deepening of economic reform and opening to the outside world, more and more foreign investors are entering the tertiary trade in China.

Until only a few years ago foreign investment was barred from the areas of retail trade, finance and foreign trade in China. But now this barrier has been lifted.

Chinese commercial experts say that, thanks to the policy, the foreign investment in commerce will help the country be better informed of the international market development, and promote improvement of the quality of goods, and development of modernized commercial facilities. It will also promote improvement of management and level of service.

The Yaohan International Group of Japan, one of the first foreign investors in retail trade in China, has co-operated with the Shanghai No 1 Department Store to set up a large shop in the Pudong New Development Zone in Shanghai.

With a total investment of 100 million U.S. dollars, the shop will cover a floor space of 122,000 square meters.

At the same time, a number of large Sino-foreign joint-venture shops are being constructed in Beijing, Tianjin, Guangzhou and Shenzhen.

Besides, Chinese financial circles have made great progress in attracting more foreign investment.

Statistics show that the five special economic zones of Shenzhen, Zhuhai, Shantou, Xiamen and Hainan as well

as Shanghai are now home to branches and agencies of 270 finance bodies from abroad.

Their business includes depositing and loaning foreign currency, insurance and services for foreign-funded enterprises.

According to statistics, their total capital reaches 4.2 billion U.S. dollars.

Now foreign banks in China are allowed to expand their business and set up branches in cities of Guangzhou, Tianjin and Dalian.

In the meantime, foreign investment has also entered China's foreign trade sector. Liu Wenjie, deputy director of the General Administration of Customs, said at Waigaoqiao Free Trade Zone in Pudong recently.

Liu said that foreign investors are allowed to set up trade companies in China's bonded zones, and engage in import and export as well as re-import and re-export for enterprises within the zones.

In addition, in recent years more foreign investors have been engaging in land development and real estate.

According to statistics, China has more than 200 Sino-foreign joint ventures and co-operative enterprises in the real estate field.

The booming tourism industry in particular has attracted foreign investment into the tertiary sector.

Since the country's opening to the outside world in 1979, China has set up over 400 guesthouses and hotels with total foreign investment of 5 billion U.S. dollars.

In recent years the Chinese authorities have been paying more attention to developing tourism resources including building up scenic spots with foreign investment.

Zhuhai city in south China's Guangdong Province and a United States company signed an agreement in April this year to develop tourism spots on the 76 islands and 3,000 square kilometers of sea area in the Wanshan Administrative Area near Zhuhai. The venture will cost 800 million U.S. dollars.

#### MOFERT Approves Provincial-CIS Ventures

HK0906095892 Guangzhou Guangdong People's Radio  
Network in Mandarin 0400 GMT 8 Jun 92

[Text] With the approval of the State Ministry of Foreign Economic Relations and Trade, a total of 12 large department stores, including those from Guangdong, Beijing, Shanghai, Tianjin, Inner Mongolia, Xinjiang, Jiangsu, Jilin, Liaoning, and Heilongjiang, will join hands in opening up businesses with the Commonwealth of Independent States [CIS] by setting up department stores and factories and purchasing real estate there.



The 12 large department stores, which are vested with the power of conducting import and export trade with the CIS, will conduct their businesses by combining wholesale with retail, earn rubles by selling consumer goods, use rubles to purchase real estate in the CIS, and try to earn more foreign exchange.

The 12 large department stores across the country, including one from our province, will each act as a window in developing economic relations and trade with Russia.

**Li Xiannian Sends Letter to Fund To Aid Poor**

HK1006123192 Beijing RENMIN RIBAO in Chinese  
29 May 92 p 1

["Comrade Li Xiannian's Congratulatory Letter"]

[Text] China Fund for Helping Poor Areas:

Promoting economic growth in poor areas through the exchange of cadres between economically developed coastal areas and poor areas is a pioneering undertaking in help-the-poor work. It is hoped that, in coordination with the CPC Central Committee's Organization Department and the State Council's Leading Group for Economic Development in Poor Areas, you will carry out this work well. It is also hoped the forum on cadre-exchange work will be a success and will conscientiously sum up experiences so they can be spread gradually.

Under the leadership of the party Central Committee and the State Council, we have scored great achievements in the work of helping the poor to develop. The people in poor areas have basically solved the problem of enough food and clothing. But given a low standard, instability, and many difficulties, there is still a possibility that they will become poor again when natural disasters strike. We must never lower our guard.

Helping the distressed and succouring those in peril is a traditional virtue of the Chinese people. Common prosperity is the objective of our struggle for socialism. We should, under the principle of mainly relying on our own efforts and by the method of those prospering first helping those prospering later and of developed areas helping poor areas, promote reform, opening up, and economic coordination so China's national economy can be developed as quickly as possible.

The work of helping the poor is a great undertaking. It carrying out this work we should also further emancipate the mind and deepen reform. We should strive to explore a new path of helping the poor to develop, quicken the pace of this work, and promote the comprehensive economic development in poor areas.

Please give my regards to the comrades attending the forum! Thanks to all comrades! Thanks to all people who are concerned with help-the-poor work!

[Signed] Li Xiannian

[Dated] 27 May 1992

**'Striking Dynamism' in Farm Units With Businesses**

OW0806233892 Beijing XINHUA Domestic Service  
in Chinese 1006 GMT 8 June 92

[Commentary by XINHUA reporter Wang Man (3769 3341): "Economic Entities—New Carriers of Socialized Services in Our Countryside"]

[Text] Beijing, 8 June (XINHUA)—The means of improving socialized services has become an important initiative for intensifying rural reform since the introduction in our countryside of the household contract responsibility system with remuneration linked to output. In recent years, farming units in various localities have done a great deal of work to implement this initiative by creating various types of economic entities. Practice has proven that this initiative is capable of effectively enhancing the economic ability of farming units without increasing the state's financial burden. It provides a new means of serving the peasants economically and efficiently.

In the past, agricultural departments at all levels in our country relied solely on financial allocations. This practice, coupled with restraints imposed by relevant policies and systems, presented chronic problems to such departments as reflected in "the lack of money to wage war despite the wherewithal to maintain an army." Featherbedding notwithstanding, these departments were prevented from undertaking service businesses toward peasants. To solve these problems, agricultural departments in some localities have conducted useful explorations with respect to the creation of economic entities. Particularly over the past two years, certain provinces have correctly judged the evolving trend and moved swiftly to embrace the new venture of creating economic entities by working out relevant policies, according preferential tax treatment, and providing funds. The people's governments of Zhejiang Province, Jiangsu Province, the Ningxia Hui Autonomous Region, and Shaanxi Province have formulated measures aimed at encouraging farming units to channel surplus personnel toward actively establishing economic entities and improving service for peasants, while at the same time, performing their administrative functions competently. In the past two years, the Hunan provincial authorities have released 160 million yuan worth of working capital to set up agriculture-oriented economic entities. These measures have effectively boosted the efforts of farming units in various localities to establish economic entities. Thus far, farming institutions at all levels in Zhejiang Province have established 1,851 assorted service entities, while agricultural, forestry, water conservancy, and farming machinery departments in Hunan Province have set up some 10,000 economic entities. In Jiangsu Province, the agrotechnical sector alone has set up over 7,600 service entities. These entities possess 1.1 billion yuan's worth of fixed assets and employ more than 140,000 people. Their output value surpassed 5 billion

yuan last year. Some of these entities are primarily bases that manufacture and sell brand-name, new commodities, while others are industrial processing entities that cater to the needs of agriculture. Some are operational-type service entities that typically combine technological service with commodity production, while others are establishments that seek to popularize and promote advanced technology. Their common task is to pursue self-development and to serve the needs of agriculture.

Efforts by farming units to set up economic entities have resulted in significantly increased strength of agricultural departments in various localities and improved socialized services. Through the establishment of such entities, Shandong and Henan have instituted seven major service networks devoted to the promotion of agrotechniques, the cultivation of fine strains, crop protection, the dissemination of information, and scientific and technological training. Farming units in Hunan Province have rode on the wave of creating economic entities to improve service networks at the grass-roots level in rural areas. In the past two years or so, veterinarian stations for livestock farming have been set up in all villages and towns throughout the province. Over 90 percent of villages and towns have established management stations, while more than 70 percent have set up agrotechnical, farm machinery, water conservancy, and forestry administration stations. Over 1 billion yuan of direct economic yields resulted solely from 10 key agrotechnical findings promoted last year.

The development of economic entities run by farming units at all levels has caused striking changes in agricultural departments and increased the momentum toward launching socialized services. The agrotechnical network in Jiangsu Province was once "in a shambles" because of the difficulty in introducing base pay for the 20,000-odd agrotechnicians there. The creation of economic entities in recent years has not only improved the working conditions of agrotechnicians but has allowed the direct use of 20 million yuan in annual profits in experimenting with, demonstrating, and promoting new agrotechniques. This has changed the way agrotechnical departments throughout the province have tried to "eke out a living" by relying on financial allocations from the state. Over the past three years or so, these departments have delivered some 300 million yuan in taxes to state coffers, a sum equivalent to the province's total operating expenses for agriculture and forestry during the same period.

Experts in relevant fields have noted the striking dynamism of farming units in our country despite their short history of running economic entities and the uneven development in various localities in establishing such entities.

#### Official Views Agricultural Development Strategy

HK0906135092 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 2 Jun 92 p 8

[Article by He Kang (0149 1660) excerpted from *China's Grain Development Strategy and Policy*, a book published by the Agriculture Publishing House: "China's Grain Development Strategic Target and Measures"]

[Text] The strategic objective of our country's grain and agricultural development is: To effect a sustained growth in the rural economy and peasants' income; to raise the gross rural social product to about 1,900 billion yuan, including more than 540 billion yuan of total agricultural output value; and to raise the rural per capita annual net income to 800 yuan. Major agricultural products shall basically meet the needs of the people throughout the country at the living standards of being comparatively well-off and the needs in the development of national economic development. Through guiding people's consumption, we will establish a food and clothing structure suited to our country's national conditions.

The total power of agricultural machines in the whole country will reach 500 million horsepower. The main operation in agriculture, forestry, animal husbandry, and fishery will be mechanized. The area of farmland plowed by tractors will account for 70 percent; the area of farmland sowed by sowing machines will account for 60 percent; and the area of farmland irrigated by pumps will account for 60 percent of the the total irrigated area. The quantity of chemical fertilizer to be used each year will reach about 150 million tons. By the end of this century, township and town enterprises will employ at least 170 million people or even 200 million people.

In order to achieve the above-mentioned strategic targets, the general strategic guideline is to adopt the development strategy of relying on technological progress and material input, conduct intensive operation, raise the output rate of per unit resources, and increase the total output of agricultural products to the maximum. Therefore, it is necessary to adopt eight major measures.

First, adjusting the production structure and realizing the integration of the urban and rural economies, thus promoting the continuous and harmonious development of agriculture, forestry, animal husbandry, fishery, township and town enterprises, and the national economy as a whole. It is necessary to gradually realize industrialization in the countryside and urbanize the rural population, guarantee the stable and healthy development of the township and town enterprises, and speed up the shift of the rural labor force to nonfarming industries. The area planted with grain crops should be kept at the level above 1.68 billion mu; the area planted with cotton should be 90 million mu; the area planted with oil-bearing crops should be 180 million mu; the area planted with sugar-bearing crops should be 25 million mu; and the area planted with vegetables should be 80 million mu.

Second, rationalizing price relations between agricultural products and gradually narrowing the price scissors between industrial and agricultural products. As for the grain purchase and sales policy, purchase and sales at fixed prices will be reduced, and prices will be raised. Grain trade outside purchase contracts will be gradually decontrolled. The sales of grain at fixed prices will be gradually lowered, and control over the quantity of grain

used to produce food and nonstaple food, brew wine, produce animal feed, and produce drinks will be gradually relaxed.

Third, increasing input of funds and materials, continuously increasing the stamina of sustained growth in grain production and agricultural production. Peasants constitute the main force for increasing input. The state should formulate an investment law to ensure the stable increase in agricultural investment.

Fourth, carrying out an appropriate degree of scale operation in light of local conditions and increasing the internal force for agricultural development. The production responsibility system based on household output contracts should be further consolidated, improved, and upgraded. Agricultural development should adopt scale operation. By the end of this century, the social service systems in the aspects of agricultural technology, agricultural machinery, the supply of production materials, processing and transportation should be established and perfected.

Fifth, broadening the vision and fully tapping the material potential. In the aspect of developing resources in breadth, our country has 200 million mu of reclaimable waste land and a lot of scattered waste land, shores, hills, grass slopes, and inland water surface that can be reclaimed. In the aspect of development in depth, two-thirds of current low-yield fields in our country can be transformed to increase grain output. If we raise the multiple crop index by one percentage point, the whole country will increase the area of cultivated land by 15 million mu. Every year, there are over 500 million tons of stalks and straw as the side product of various crops, and most of these resources have not been utilized. If 100 million tons of stalks and straw are used every year as animal fodder, then this is equivalent to the production of 25 million tons of additional feed.

Sixth, improving the quality of laborers and raising the scientific and technological level in agriculture. By the end of this century, the factor of science and technology will contribute to 50-60 percent of additional agricultural output against the present level of 30 percent.

Seventh, strictly controlling population growth and the area of land used for construction, and protecting the per capita quantity of natural resources. It is necessary to adopt more effective measures to control the national population at the level of 1.25 billion. At the same time, the area of farmland used for urban industry, transportation, and housing construction must be smaller than the area of newly reclaimed land.

Eighth, giving positive guidance to people's consumption and establishing a food and clothing structure suited to our national conditions. At present, there exists astonishing waste in the consumption, harvest, storage, and processing of grain. If waste is prevented, we may at least save 20 billion to 30 billion kilograms of grain every year. Food sources should be broadened in connection with the comprehensive development of land resources.

#### Foreign Banks To Gain Further Operating Rights

HK1106010992 Hong Kong CHING-CHI TAO PAO  
in Chinese No 21, 1 Jun 92 p 29

["China Economic News" article: 'More Foreign Banks To Be Allowed To Operate in China']

[Text] China will step up its efforts to bring in more foreign banks and expand their operations in China in a planned and conditional manner.

An official from the section in charge of foreign financial institutions at the People's Bank of China revealed recently that China plans to open up the three cities of Guangzhou, Dalian, and Tianjin to foreign financial institutions, and will allow the establishment of more branches of overseas banks in the special economic zones [SEZs] based on the needs of economic development.

At present, a total of 450 Sino-foreign joint equity banks, Sino-foreign joint equity financial companies, branches of foreign banks, and two foreign insurance companies are operating in China, mainly in the coastal SEZs like Shenzhen and Xiamen and in the municipality of Shanghai. Meanwhile, some 30 foreign banks have applied for permission to set up branches in China. These banks come mainly from Europe, Japan, the United States, Canada, the Southeast Asian countries, and the Hong Kong and Macao region.

Based on requests by foreign equity banks in China, China is presently studying a proposal to allow these banks to engage partially in renminbi transactions. At the moment, foreign equity banks in China are only allowed to engage in foreign currency transactions like the settlement of international accounts and foreign currency deposits, and the receipt of deposits from "foreign-funded" enterprises and foreigners inside the mainland only.

The Chinese Government welcomes proposals from foreign financial institutions wishing to set up businesses in China. While the arrival of foreign banks poses a challenge to the Bank of China, which is engaged primarily in foreign currency transactions, it will, to a certain extent, ease the shortage of construction capital in the economically more developed regions.



## East Region

### Anhui's Yang Yongliang Attends Party Work Forum

OW1106022992 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 10 Jun 92

[From the "Provincial Hookup" program]

[Text] At the provincial seminar on party work in the organs of prefectures and cities yesterday, Yang Yongliang, deputy secretary of the provincial party committee, pointed out: Party organizations in organs must profoundly study and implement the guidelines of Comrade Deng Xiaoping's speeches made during his southern tour and change their mentality and functions. While focusing on the center of economic construction, they must constantly study the new situation, broaden their thoughts, form a new attitude, break new ground, and fully exert their role with regard to service, participation, and providing assurances during efforts to deepen reform and open wider to the outside world.

The four-day second provincial seminar on party work in the organs of prefectures and cities further studied and implemented the guidelines of Comrade Deng Xiaoping's speeches made during his southern tour and of relevant documents from the provincial party committee. It also examined and explored the ways and means through which party work in organs can serve economic construction, reform, and opening to the outside world.

At the seminar, Yang Yongliang noted: Party work in organs is an important constituent of overall party work. At the moment, party organizations in organs ought to take serving economic construction as the basic guiding ideology in party work, the prime task for strengthening party building in the organs, the approach for all undertakings, and the important standard for assessing the realities in party work of organs. They must actively mobilize the vast numbers of party members and cadres in the organs to take heart, work with one heart and mind, direct and throw themselves toward the main battlefield of economic construction, wholeheartedly serve the grass roots and the masses, and wage a determined struggle against all unhealthy tendencies, such as bureaucratism, formalism, abusing power for personal gain, and wrangling, that hinder economic development.

Yang Yongliang said: Party work in organs must uphold the center of economic construction, and presently awareness in three areas must be strengthened. First, to strengthen the awareness of serving, party organizations in organs must grasp the purpose of serving the people wholeheartedly and regularly check and analyze any remaining problem in their own unit while serving the grass roots and the masses. They must basically change the unhealthy tendency of cold shouldering. Second, to strengthen the awareness of the need to participate, they must take the initiative to understand the economic situation, partake in the discussions and feasibility studies of rational suggestions, and coordinate with the

organizations and departments to select and promote personnel skilled in economic management. Third, to strengthen the awareness of offering assurance, they must step up education on the party's line, principles, and policies; do a good job in ideological mobilization; and bring all positive factors into play.

In conclusion, Yang Yongliang called on party organizations in organs at all levels to pay attention to self-improvement to enhance their ability to serve economic construction. They must lead cadres charged with party affairs to form the concept of openness and smash the mentality of self-isolation by moving deeper into realities, by having greater contacts with economic life, and by receiving, intently, actual training in the main battlefield of economic construction.

### Anhui Lets Patients Pay 10% for Medical Care

OW1106090092 Beijing XINHUA in English  
0734 GMT 11 Jun 92

[Text] Hefei, June 11 (XINHUA)—East China's Anhui Province has initiated further reforms of its medical care system in line with the results of experimental measures carried out for several years in a number of cities.

Since March this year, the provincial government has tightened its purse strings and restricted subsidies granted to cover the medical expenses of public workers.

Since that time employees of government institutions and state-owned enterprises and college students have been required to pay at least 10 percent of the cost of medical services, which had been paid entirely by the government in the past.

The provincial director of public health told XINHUA that the aim of the reform is to curb excessive increases in government subsidies to the public health services. He said that in the past many people had taken advantage of government subsidies to cover the cost of medicines for people not covered by the government health care program, or to obtain excessive medical services.

Statistics show that some 130 million people in China receive free medical services which cost the government over 30 billion yuan, or 3.9 percent of the gross national product.

Anhui province pays 150 million yuan per year for medical care provided to 980,000 people.

Shi Yinlong, director of the provincial office of public health, said that in the future the province will restrict the scope of free medical services, and reduce the number of people receiving medical subsidies.

In addition, the provincial government has stipulated that hospitals should also shoulder some ten percent of the medical expenses of public workers. Shi pointed out that hospitals have sometimes provided unnecessary and excessive amounts of expensive medicines simply to



make a profit. Hospitals throughout China have earned between 60-70 percent of their income from selling medicines.

However, over the past three months, since the new measures were adopted to tighten control on free medical care, hospitals in the province have witnessed a 33 percent decrease in expenses related to free medical services. In addition, the number of persons seeking medical treatment in hospitals has dropped by one-third.

Wu Yuke, director of the provincial office charged with reform of the public medical service system, said that letting individuals and public units share the expenses of medical care has proved successful. He pointed out that the new system of sharing medical expenses has been effective in preventing individuals from seeking excessive medical services.

However, according to Wu, the individual share of medical expenses is based on the average income of the public workers. According to central government regulations, each public worker is required to pay medical expenses equal to his or her highest monthly salary during a single year. Medical expenses beyond that will be covered by the government.

Reports indicate the reform of public medical service has progressed throughout the province.

Han Tiechui, a middle school teacher in Bengbu City, told XINHUA that he pays 12 yuan per month, or 10 percent of the costs, for medical treatment on his waist.

The 43-year-old Han said the cost allocation was reasonable and set at an affordable level.

Most young people have responded positively to the changes, and, Yu Zhinang, a 28-year-old local government official, said he has been unaffected because his total annual payments for medical care run less than 100 yuan.

However, a number of retired workers felt the expenses have been relatively high. Wang Yiquan, a retired worker from an engineering institute in Tongling City, recently paid several hundred yuan for an eye operation. Wang noted his pension was limited, and increased medical costs were indeed a burden.

The provincial regulations stipulate that retired government and enterprise workers must pay only five percent of their medical care, only 50 percent of the amount paid by people who are working.

The province is to establish a medical insurance fund for public workers. The province will withhold 10-20 percent of the monthly wages of public workers in order to replenish the fund.

### **Mao Zhiyong Greets Defense University Students**

HK1006134392 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 9 Jun 92

[Excerpts] A total of 210 National Defense University students led by General Zhang Zhen, commandant and political commissar of National Defense University, arrived in Nanchang this morning. [passage omitted]

The students are scheduled to attend on-site lessons and receive education on revolutionary traditions.

Provincial and city leaders, including [provincial party committee Secretary] Mao Zhiyong, [provincial Governor] Wu Guanzheng, Liu Fangren, Zhu Zhihong, Zhang Chuanshi, Su Shengyou, Peng Chunsheng, Feng Jinmao, Fan Jun, Jiang Zhongping, and Xi Lihua, as well as Guo Xizhang, Nanjing Military Region deputy commander, who had arrived in Nanchang for the occasion, warmly greeted and welcomed the students of National Defense University at the railroad station.

The National Defense University is the highest-grade institution for training senior military cadres. Its students come from various military regions and various arms of services across the country. This time, to teach party history and Army history to students and educate students on revolutionary traditions, the National Defense University has organized and sent more than 210 students to Jiangxi to attend on-site lessons and receive education on revolutionary traditions. This event is the first of its kind in our provincial history. The provincial party committee, government, and military district leaders have attached great importance to the event and have held many meetings to plan and arrange for the relevant reception work.

This morning, the National Defense University students visited the 1 August Nanchang Uprising Museum. [passage omitted]

### **Shandong Forum on Reducing Industry Stockpiles**

SK1106090092 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 10 Jun 92

[Text] The provincial government held a telephone conference on the evening of 10 June to analyze the current industrial production situation and to make further arrangements for restricting goods production that sell slowly or are overstocked. They will also try to reduce excessive stockpiles, call for efforts to stop goods production that are already overstocked, strengthen the sales of products, reduce the excessively large amount of funds tied up by overstocked goods, and guarantee the fulfillment of this year's task of reducing stockpiles in an effort to promote better and faster development in industrial production.

The conference maintained: Our province's general industrial production situation has been good since the beginning of this year. The total amount of industrial

production greatly increased, and the production situation of state industrial enterprises, particularly in large and medium-sized industrial enterprises was good. Energy industrial enterprises, industrial enterprises for investments, and agriculture-oriented industries increased steadily, and their production and marketing were brisk. Economic efficiency in the industrial sector began to pick up. However, there are still some problems which we must not neglect in current industrial production, which are particularly manifested in the following:

The industrial production-marketing rate is not high; the increase in the money supply is too rapid; energy resources, supply of raw materials, and means of transportation are tight. The fulfillment of the task of restricting production of goods that sell slowly or are overstocked and reducing excessive stockpiles was not good in particular. By the end of April, industrial enterprises at and above the township level across the province had increased their funds tied up by finished products, goods in transit and receivable goods, as well as advanced payment for goods by 9 billion yuan over the beginning of this year, of which the funds tied up by finished products increased 2.53 billion yuan. Except Jinan and Dongying Cities that showed a decline from the beginning of this year, all 14 cities and prefectures showed an increase over the beginning of the year. Serious problems of stockpiled goods included cotton yarn, cotton cloth, printing and dyeing cloth, bicycles, timepiece, electric fans, canned foods, synthetic detergents, black and white television sets, micro-computers, and tires.

Vice Governor Ma Shizhong gave a speech at the telephone conference. He said: This year the state has assigned our province to reduce 1.44 billion yuan worth of overstocked goods. This task is very arduous. The provincial government has called on all cities, prefectures, and departments to look squarely at existing problems, find out the reasons subjectively, adopt resolute and effective measures for restricting the production of goods that are overstocked, reducing excessive stockpiles, and promoting sales as they did in reducing overstocked goods last year until good results are achieved.

Ma Shizhong stressed: It is necessary to act closely with readjusting structure and raising efficiency, be guided by the market, and do a good job in organizing the current industrial production. We have called for utmost efforts to increase the development rate of products that yield good efficiency. On the contrary, however, we should also call for reducing the development rate of most products that yield poor efficiency and cannot find a market. The work of restricting the production of overstocked goods and reducing excessive stockpiles and the acceleration of economic development are integrated and not separated.

Ma Shizhong pointed out: It is necessary to strictly organize production in accordance with market demands, prevent and guard against the appearance of stockpiled goods in the course of production. Products

that are marketable and are not overstocked must be guaranteed with the supply of raw materials, funds, and means of transportation in an effort to help enterprises that produce products of this category to go full steam ahead in production. Enterprises which produce unmarketable products which cause stockpiles must be warned. If they fail to reduce the stockpiles within a set time limit, they must be forced to suspend production by adopting the measure of restricting loans to them.

Ma Shizhong called on industrial departments and enterprises to devote great energy to opening up markets and expanding the sales of products, and to accelerate the readjustment of industrial structure and raise the competitiveness of products. Relevant departments should jointly formulate and adopt measures, maintain close coordination, and guarantee the fulfillment of this year's task of reducing excessive stockpiles.

### Shandong Province Holds Meeting on Agriculture

SK1106113692 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 9 Jun 92

[Text] At the meeting of responsible persons of the provincial-level agricultural departments, which ended in Wendeng city on 8 June, Vice Governor Wang Jiangong called on all localities to accelerate the development of the export-oriented rural economy and positively and properly promote the construction of entities of agricultural departments to push the development of high-yield and high-efficient agriculture onto an even higher level.

Vice Governor Wang Jiangong pointed out: Amid the major environment of opening up, leaders at all levels must attach high importance to the position and role played by agricultural opening up in overall opening up, and must give consideration to and make arrangements for agricultural opening up in a unified way by incorporating agricultural opening up to the overall setup of opening up. In line with world market changes, we should constantly readjust the structures of industries and products and continue to consolidate and expand the export of such staple agricultural products as corn, peanuts, and cotton as well as the processed livestock products. Localities in the eastern province should vigorously develop the export of aquatic products, fruits, leaves tobacco, silkworms, and handicrafts, and inland localities should vigorously develop the export of livestock products, wood products, and knit goods. We should accelerate the development of integrated companies by developing the agriculture-industry-trade integrated companies, the livestock-industry-trade integrated companies, and the forestry-industry-trade integrated companies. At the same time, all localities should constantly expand the sphere of opening up based on their own trades. Each trade should make best possible use of its own superiority to create its superior and competitive products but should not be handicapped by the small limit of its own trade. Various trades should break the bounds between different trades and between

different departments in line with market demands, and should engage in the business of other trades independently, cooperatively, or through other forms.

When it comes to the development of the entities of agricultural departments in the province, Wang Jiangong pointed out: That agricultural departments initiate economic entities to strengthen their services is the internal demand of the development of the rural commodity economy as well as an effective way to deepen the political structural reform and change the functions of government. The problem at present is that the development of economic entities by agricultural departments is too slow rather than rapid and the number of such entities is too small rather than too big. For this problem, all localities must enhance their understanding and accelerate the pace of initiating entities of agricultural departments. In this aspect, we must adhere to the aim of running entities by focusing on service, running entities to promote service, and rendering good service to promote development.

Wang Jiangong pointed out: Developing high-yield and high-efficient agriculture is the basic guiding ideology for the province's agriculture and rural work this year. All departments at all levels should give support and go all out to promote the development of high-yield and high-efficient agriculture and should pay attention to exploring ways of shifting from the primary industry to the secondary and tertiary industries to push the development of high-yield and high-efficient agriculture onto an even higher level.

Vice Governor Wang Jiangong pointed out in conclusion: At the moment, wheat harvesting is drawing to an end in the western province, and in the mountain areas in eastern province harvesting has also started and will be spread universally in a few days. All localities should mobilize every force to accelerate harvesting and threshing to ensure a bumper harvest. At the same time, all localities should lose no time to grasp summer sowing and summer field management and to prepare for flood prevention.

During the meeting, participants inspected seven counties, cities, and districts in Yantai and Weihai on the development of their high-yield and high-efficient agriculture, their foreign exchange earning agriculture, and their entities run by agricultural departments.

### Central-South Region

#### High Power TV Station Planned in Guangdong

HK1006133192 Hong Kong MING PAO  
in Chinese 4 Jun 92 p 10

[Report: "Recent CPC Overseas Propaganda Work Meeting in Shenzhen Discusses Plan To Set Up New Television Station in Guangdong With Programs Beamed to Zhu Jiang Delta and Hong Kong"]

[Text] According to a report from Shenzhen, the CPC's central authorities responsible for overseas propaganda recently held a meeting in Shenzhen to study and arrange steps for strengthening the Chinese side's propaganda work for the late transitional period in Hong Kong. According to sources, it was proposed at the meeting that a television station with the beaming power to cover the Zhu Jiang Delta area and the Hong Kong area be set up to offset the influence of the Hong Kong television in the mainland areas and to strengthen positive propaganda to Hong Kong.

The overseas propaganda work conference was held last Wednesday [27 May] in Shenzhen. Zhu Muzhi, head of the CPC Central Overseas Publicity Group and director of the State Council's Information Office, particularly went from Beijing to Shenzhen to preside over the meeting. The responsible officials of various departments concerned in the XINHUA Hong Kong Branch also attended the meeting.

According to sources, the meeting mainly discussed and arranged steps for increasing the Chinese authorities' opinion influence in Hong Kong during the late transitional period, including operation of the mainland media and of left-wing newspapers in Hong Kong.

It was proposed at the meeting that, to change the current situation in which people in the Zhu Jiang Delta area and in Shenzhen only watch the Hong Kong television programs, a new television station be set up in Guangdong with its programs being beamed to the Zhu Jiang Delta area and Hong Kong as well. Thus, the residents of the mainland area can have more choices when watching television; at the same time, the mainland can also strengthen propaganda toward Hong Kong. The programs of the new television station will mainly be entertainment programs, economic information, and local affairs.

It was said that the meeting put forth a number of options for the location and organizational form of the new television station. It may be set up with Beijing's direct investment in a suitable place inside Guangdong, or may be set up on the basis of the existing equipment of the Guangdong Television Station or the Shenzhen Television Station with the beaming power being increased. The meeting did not make the final decision on which option is to be adopted.

Yesterday, the Guangdong officials responsible for overseas propaganda told MING PAO that so far, they had not received Beijing's order on setting up a television station to beam programs to Hong Kong. However, Guangdong had studied the possibility of setting up a television station with higher power to strengthen propaganda in the Zhu Jiang Delta area.

On the other hand, an official of the Guangdong Provincial Radio, Film, and Television Department said that Guangdong has the intention of beaming its radio and television programs to Hong Kong and other overseas areas, and the scheme has been submitted to Beijing. At



present, Guangdong and Hong Kong are cooperating closely in producing radio and television programs, which are mainly some sports and cultural programs. The rapidity and capacity of Guangdong's radio and television broadcast rank first in the whole country.

This official also said: Guangdong's plan to beam programs to Hong Kong is not derived from a strong sense of resisting peaceful evolution; instead, the idea is derived from the hope to participate in the competition among the mass media.

#### **Guangdong Invests in Constructing 7 Expressways**

HK1006133092 Hong Kong TA KUNG PAO  
in Chinese 5 Jun 92 p 4

["Special dispatch": "Guangdong Invests 8.8 Billion Yuan in Building Seven Expressways"]

[Text] Guangzhou, 4 Jun—Guangdong Province has invested a huge sum of money to build or plan to build seven expressways. This represents a golden age of building expressways in the province's history.

Li Peiwu, head of the Guangdong provincial transport department, told reporters that the principal aim of building expressways in a big way in the Eighth Five-Year Plan is to adapt the province's transport conditions to the economic development situation in the 1990's. With the sustained high economic growth in Guangdong in the 1990's, the number of motor vehicles is increasing at a rate of over 20 percent each year. There are now half a million automobiles and 2 million other motor vehicles in this province.

Li said: Of the aforesaid motor vehicles, 60-70 percent are concentrated in the Zhu Jiang delta and the surrounding area. As a result, highway transport in this area is extremely heavy, far surpassing the capacity of the highways to withstand the strains. For example, it took a little over three hours several years ago to travel on the Guangzhou-Shenzhen highway but it now takes four to five hours.

The department head said: To completely solve the problem of heavy traffic, it will not do to build an ordinary highway because the highest traffic flow of a second-class highway is 50,000 cars in 24 hours while that of an expressway is 10,000 cars on a single lane.

The expressways Guangdong is said to be building or planning to build include the Guangzhou-Shenzhen expressway, the Shenzhen-Huizhou expressway, the Guangzhou-Huaxian expressway, and the second-phase project of the Beihuan section of the Guangzhou beltway, which are now under construction; construction of the Foshan-Kaiping expressway and the Shenzhen-Shantou highway, which is exclusively for motor vehicles, will start this year.

The expressways being or planned to be built in Guangdong are about 500 km long, with a total investment of

8.8 billion yuan. This accounts for over half of the province's total investment in highway construction in the Eighth Five-Year Plan, which is 15 billion yuan, and is far higher than the investments in railway and port construction.

#### **Guangdong Said To Crack Down on 'Seven Vices'**

HK1006133292 Beijing FAZHI RIBAO  
in Chinese 22 May 92 p 1

[By correspondent Yin Lizhong (1438 4539 0022) and reporter Li Hansheng (2621 3352 3932): "Guangdong Wipes Out 'Seven Vices'"]

[Text] On the morning of 20 May, in Guangdong Province, 15 intermediate people's courts in Guangzhou, Shenzhen, Zhuhai, Jiangmen, and other cities, and 36 county (district) people's courts respectively convened judgment-pronouncing meetings to severely crack down on the "seven vices," giving sentences publicly to 304 "seven vices" criminal elements. Thirty-three criminals were sentenced to death, of which 25 were executed; 181 criminals were sentenced to jail for over five years, or life imprisonment, or suspended death sentences. The move was to support Guangdong's centralized campaign for banning and cracking down on prostitution and extensively wiping out the "seven vices."

The target of the crackdown by the courts of various levels in Guangdong were the criminals who organized, forced, abducted, accommodated, and introduced women to prostitution, and who made, sold, and disseminated pornography and obscene materials. The courts severely punished those who should be punished in pursuance of law, and gave sentences to a total of 73 such criminals, 24 percent of all the "seven vices" criminals. Among them 36 were sentenced to jail for over five years or life imprisonment, 48 percent of the total.

The courts this time gave sentences to 125 drug criminals, 41 percent of the "seven vices" criminals. Among them 23 were sentenced to death, and 15 were executed; 75 of them received suspended death sentences, or life imprisonment, or sentences of over five years.

In pursuance of law, some courts severely punished the chief elements, main culprits, and frequent lawbreakers who abducted and sold women and children. This time, 87 such criminals were punished, accounting for 28.6 percent of all the "seven vices" criminals; among them 10 received death sentences.

In addition, courts of various levels in Guangdong punished a number of backbone elements of underworld societies or societies of an underworld nature, gambling criminals, and the criminals who used feudal and superstitious beliefs to swindle money and harm people. This time, 19 such criminals were punished, accounting for 6.3 percent of all the "seven vices" criminals.

The law courts of various levels in Guangdong have always viewed the major criminals in the "seven vices"



cases as one of the key targets for serious crackdown in pursuance of law, and quickly gave severe punishment. In a period of two years from 1990 to 1991, the province pronounced judgment for a total of 1,626 "seven vices" criminals; among them 832 received sentences of over five years, or life imprisonment, or the death penalty, accounting for 51.2 percent of the total.

### **Guangxi Chairman Addresses Cultural Conference**

*HK1006140792 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 7 Jun 92*

[Text] A national rural cultural work conference was solemnly inaugurated in Nanning today.

Today's meeting was attended by Cheng Kejie, regional party committee deputy secretary and regional people's government chairman; Ding Tingmo, regional party committee deputy secretary; Li Zhenqian, regional party committee standing committee member and regional people's government vice chairman; Zhan Kexun, deputy political commissar of the Guangxi Regional Military District; An Gang, vice chairman of the Science, Education, Culture, and Public Health Committee of the Chinese People's Political Consultative Conference National Committee; Gao Zhanxiang and Liu Deyou, vice state ministers of culture; Assistant Minister of Culture Gao Junjia; and Qu Runhai, director of the Art Bureau of the State Ministry of Culture.

Almost 250 deputies attended today's meeting. They came from some 30 provinces, municipalities, and autonomous regions across the country.

A number of provincial or regional governors, provincial or regional government secretaries general, provincial or regional government general office directors, as well as other government officials in charge of cultural work also attended today's meeting upon invitation.

Gao Zhanxiang, executive vice state minister of culture, delivered a speech entitled: Deepen Reform, Step up Construction, Strive To Open up New Vistas for Rural Cultural Work. In his speech he called for further enhancing a sense of gearing cultural work to rural areas, speeding up rural cultural reform, striving to explore a new way of making rural cultural work serve rural commodity economic development, further broadening social avenues for cultural development, stepping up rural cultural front building, vigorously opening up and fostering a rural cultural market, and developing non-governmental external cultural exchanges in accordance with the spirit of Comrade Xiaoping's instruction on further emancipating the mind, becoming bolder, and further quickening the pace.

Gao Zhanxiang also emphatically called in his speech for further developing a pragmatic spirit of seeking truth from facts, exploring a new way of resolving problems besetting rural cultural system, facilities, and finance, and striving to build within the Eighth-Five Year Plan a four-level rural culture network with salient Chinese

characteristics, with libraries and culture centers as the mainstay, culture stations as the pivot, culture courtyards and rooms as the forefront, and the state ministry of culture as the supplement.

Gao Zhanxiang concluded his speech by stating: We must make redoubled efforts to build all key cultural projects and successfully build culture corridors in border areas to assimilate foreign cultural cream with a view to pushing our country's rural cultural work onto a new stage.

Cheng Kejie, regional party committee deputy secretary and regional people's government chairman, also delivered a speech in which he extended congratulations to the convocation of the conference in Guangxi.

Li Zhenqian, regional party committee standing committee member and regional people's government vice chairman, delivered a speech entitled: Join Hands in Building a Culture Corridor and Promote Two Civilizations Building in Guangxi.

### **Southwest Region**

#### **Chengdu Sentences Telecom Cable Thieves to Death**

*OW1006082792 Beijing XINHUA Domestic Service in Chinese 1406 GMT 9 Jun 92*

[Text] Chengdu, June 9 (XINHUA)—The Intermediate People's Court of Chengdu today meted out death sentences to 6 criminals from Chengdu's Qionglai County for stealing state telecommunication cable. Execution by shooting was carried out promptly.

The thieves—Zhou Zehong and Deng Yanxue—teamed up with others and stole 24,000 meters of state telecommunication cables in Xinjin and Qionglai County on 19 occasions between the period of April 1990 and March 1991; the band of 9 criminals—led by Wang Hongliang, Wang Hongming, Wang Zhizhong, and Wang Zhiwen—successively stole 40,000 meters of state telecommunication cable in use in Qionglai, Xinjin, and Pujiang County on 26 occasions between the period of March 1990 and April 1991. The money they obtained from sales of the loot has all been spent. This group of thieves has committed a serious crime which affected the communications of the Xichang Satellite Launching Base and caused tremendous damage to the state.

#### **Sichuan Disaster-Reduction Center Set Up**

*OW1006090492 Beijing XINHUA in English 0845 GMT 10 Jun 92*

[Text] Chengdu, June 10 (XINHUA)—China has established its first comprehensive natural disaster-reduction center in Guangyuan city in southwest China's Sichuan Province.

The center will research the patterns of various kinds of natural disasters, publish information on disasters and train personnel in the work.

The center's achievements will be made available to neighbouring countries.

### **Tibet CPC Holds Conference of Delegates**

*OW1106050392 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 10 Jun 92*

[Announcer-read video report by station reporters Nian Xin and Li Guangyuan; from the "Tibet News" program]

[Text] In a dynamic climate in which people of all ethnic groups in the region are conscientiously studying and implementing the guidelines of Deng Xiaoping's important speeches and whipping up a new enthusiasm for reform and opening up, the Tibet Autonomous Regional CPC Committee held a conference of party delegates at the Hall of the People of Tibet in Lhasa on the morning of 10 June.

Deputy secretaries Chen Kuiyuan, Gyaincain Norbu, Zhang Xuezhong, Basang, Mao Rubai, and Danzim; and standing committee members Zi Cheng, Chen Hanchang, (Feng Jun), and (Lie Que) of the regional party committee attended the conference.

The main purposes of the conference are to elect delegates to the 14th CPC National Congress and study ways for further promoting party building in the region. A total of 133 of the 171 delegates attended the conference, with 38 absent because of prior engagement or sickness.

Chen Kuiyuan presided over the conference.

Entrusted by the regional party committee, Zhang Xuezhong delivered a report, entitled "Give Full Expression to Inner-Party Democracy, Do an Earnest Job in Electing Delegates to the 14th National Congress." The report is divided into four sections: 1. Fully Recognize the Great Significance of Electing Delegates to the 14th National Congress; 2. Qualifications and Requirements for Delegates to the 14th National Congress; 3. Selection of Candidates for Delegates and Work in the Early Stage; and 4. Several Demands on the Current Conference of Party Delegates.

Zhang Xuezhong said: The Eighth Plenary Session of the 13th CPC Central Committee has decided to convene the 14th CPC National Congress in the fourth quarter of this year. It will be another congress of great significance in the history of our party. One of the main purposes of the current regional conference of party delegates is to elect delegates from Tibet to the 14th CPC National Congress. Success of the 14th National Congress will have immediate practical importance and far-reaching historical significance for intensifying party building; enhancing the fighting capacity, cohesive power, and appeal of the party; ensuring the party leadership is in the firm control of people who are loyal to Marxism; enabling the party to withstand tests in exercising political power, making reform, opening China to the outside

world, and guarding against peaceful evolution; continuing to advance the great cause of building socialism with Chinese characteristics; and organizing and mobilizing the entire party and people of all ethnic groups throughout the country to work with one heart and one mind and in an enterprising spirit in successfully realizing the second strategic goal of China's socialist modernization.

Discussing the qualifications and requirements for delegates to the 14th National Congress, Zhang Xuezhong said: In accordance with the guidelines of the party Central Committee's document and in the light of realities in Tibet, the regional party committee has set three requirements for delegates to the 14th National Congress: First, they must be models in implementing the line, principles, and policies adopted by the party since the Third Plenary Session of its 11th Central Committee; must be able to uphold the four cardinal principles, have a firm conviction in communism, and steadfastly side with the party at crucial moments and on major issues concerning political principles; must resolutely oppose bourgeois liberalization and separatism, and safeguard motherland unification and national unity; must maintain a high degree of unity with the party Central Committee politically, ideologically, and in action; and must have made outstanding contributions to socialist construction in Tibet.

Second, they must serve the people of Tibet wholeheartedly and exemplify themselves in observing party discipline and state law; must resolutely oppose and resist unhealthy practices, and dare to crack down on law-breakers; must be able to uphold principle and justice, to perform official duties with honesty, and to forge close ties with the masses; and must enjoy some prestige inside and outside the party.

Third, they must be able to engage in discussion and realistically reflect opinions of their respective party constituents.

On the selection of candidates for delegates and work in the early stage, Zhang Xuezhong said: The regional party committee has attached great importance to the work of recommending and electing delegates to the 14th National Congress, which was started last December.

After serious study and careful arrangements, a leading group and a special working unit were set up by the regional party committee specifically to take charge of this matter. Units allowed to recommend candidates paid close attention to the work, and held successive meetings to map out and implement plans, organize special groups, and assign special personnel to devote themselves wholeheartedly to this matter.

As a result, the work of recommending candidates for delegates to the 14th National Congress has proceeded smoothly. After all units completed selection and recommendation of candidates, the relevant departments carefully examined candidates in several stages. In the course of recommendation and examination, efforts were made

to scrutinize candidates for their political integrity, to select only the best qualified candidates, and to guard against making special allowances for candidates. Efforts were also made to ensure the implementation of inner-party democracy and the mass line in concrete work, and to solicit opinions from various sectors with regard to candidates.

In this way, candidates were screened through an extensive process involving lots of people and on the basis of full and accurate materials which reflected their backgrounds and main characteristics. On 16 March, the regional party committee held an enlarged meeting of its Standing Committee to earnestly discuss qualifications of candidates recommended by various units, and approved, by a show of hands, a preliminary list of delegates from Tibet to the 14th National Congress.

Questions on individual candidates, which were raised at the meeting, were later investigated and cleared by the regional party committee through its discipline inspection commission. Toward the end of March, the regional party committee dispatched personnel to Beijing specifically to report the preliminary list of delegates to the party Central Committee's office in charge of preparations for the 14th National Congress.

The central authorities approved in principle the list of 20 delegates and alternate delegates, including one nominated by the party Central Committee, which was examined and approved by the enlarged meeting of the Standing Committee of the regional party committee. The procedures for recommending and electing these 20 delegates and their composition have basically met the requirements of the central authorities.

The list has already been submitted to the current conference for formal approval.

Zhang Xuezhong expressed the hope that through the election of delegates to the 14th National Congress, party members will enhance their party spirit; understand better the system of democratic centralism; step up efforts to build up the party; and strengthen the fighting capacity of party organizations, thereby greeting the convocation of the 14th CPC National Congress with concrete action.

The conference also approved election measures of the Conference of Delegates of the Tibet Autonomous Regional CPC Committee.

### Transfer of Tibet Graduates to Interior Begins

OW0906114392 Lhasa Tibet People's Radio  
Network in Mandarin 1430 GMT 8 Jun 92

[From the "Tibet News" program]

[Text] The policy of transferring graduates of universities and polytechnic schools who have worked in Tibet for more than eight years to interior regions of the

country is being stepped up. To show concern for graduates of universities, polytechnic schools, and postgraduates who have been working in Tibet for eight years, departments concerned have drafted documents prescribing preferential treatment for those comrades who have worked in Tibet for eight years. Comrades who are willing to remain in Tibet will receive assistance in resolving their practical difficulties and be promoted according to their qualifications; for those comrades who will be transferred to the hinterland, the unit where they will be stationed will receive 1,500 yuan for each individual from the Ministry of Finance as a housing subsidy. The spouses of the personnel who will be transferred to the hinterland may be transferred together provided they have a regular job; the children of the personnel may move with them provided they all have obtained urban area residence permits. Personnel and their dependents, especially party and government cadres, who will be transferred to the hinterland will, as far as possible, be given a post of the same grade as that of their post in Tibet.

### Northeast Region

#### News Forum on Heilongjiang Economic Reform Held

SK0806060592 Harbin HEILONGJIANG RIBAO  
in Chinese 2 May 92 p 1

[By reporter Gao Mingyi (7559 2494 5030): "Four Programs on Deepening Enterprise Reform Set Forth"]

[Text] On 30 April, Cai Qi, spokesman of the provincial government, chaired a press conference at Huayuancun Guesthouse, announcing that the provincial government agreed in principle to the four programs on deepening the enterprise reform set forth by the provincial structural reform commission, and these four programs would be formally printed and distributed to all localities for conscientious implementation in line with local conditions.

These four programs include "the Heilongjiang Province pilot program on changing enterprise management mechanisms," (including autonomy in 10 fields, simulated joint ventures involving foreign investment, and the shareholding system); the "pilot program on separate accounts for funds," the "pilot program on input and output contracting," and the "program on the contract management responsibility system for making industrial enterprises enhance quality and attain targets."

At the conference, Song Shihe, vice chairman of the provincial structural reform commission, said: The first three programs mentioned above will be carried out in several selected enterprises, and the last one will be carried out in all industrial enterprises in the province. All of these four programs are set forth by centering on changes in the managerial mechanisms of enterprises.

Song Shihe briefed press circles on the province's current reform situation. He said: At present, the reform situation has become increasingly better in various localities of the



province. In particular, since the relay and implementation of the central authorities' 1992 document No. 2, the pace of reform has been visibly quickened and the dynamics strengthened. Generally, the work has been solid and results obvious. First, various reform items, with the change of enterprises' managerial mechanisms as the focal point, have been conducted in an all-around way, and breakthroughs have been made in several fields. The enterprise reform, with the reform of labor, employment, and distribution systems as the focal point, has progressed rapidly. In the nine large and medium-sized cities in the province, 400 enterprises have tried the reform of labor, employment, and distribution systems, and most of them have yielded good results. The experiment for these enterprises that are conducting reform in advance of others has been deepened constantly and has played an exemplary role in deepening reform among enterprises. Thus far, 452 state-owned cooperative commercial enterprises in the province have been given full authority over their management, prices, employment, and distribution. The mechanism for selecting the superior and eliminating the inferior has begun. Thus far, seven enterprises in the province have declared bankruptcy because of poor management and long-standing losses. The housing reform system has started in an all-around manner. The housing reform programs of Harbin, Mudanjiang, Jiamusi, Jixi, and Hegang will be set forth by the end of June, and the housing reform programs of other cities will be set forth one after another in the second half of this year. The pace of reform in the social insurance system is being quickened.

Second, opening up has been carried out on three levels. First, the state-level reform and opening up experiment, including Heihe and Suifenhe cities and the Harbin new and high technology industrial development zone, has started in an all-around way. Second, the work of various kinds of reform experimental zones in Harbin, Qiqihar, Mudanjiang, and Jiamusi has proceeded rapidly. Third, the export-oriented economy has witnessed considerable progress. The close economic patterns and management modes have changed further, many enterprises have positively drawn the advanced foreign science and technology as well as management methods, and, organizing production in line with international standards and world market demands have gradually become the new pattern of opening to the outside world.

When it came to the deficiency of the province's reform, Song Shihe said: At the moment, the development of reform work is uneven, and, in particular, some new contradictions have emerged in solving deep-rooted problems. A major contradiction is the contradiction between the development of a commodity economy and the old system of a product economy. In the course of changing old systems to new ones, the old systems still play a predominant role in many fields, thus seriously hampering the deepening of reform. The other one is the contradiction between the standards for productive forces and the specific principles and policies. At present, some policies and stipulations are still incompatible with the demand of the standards of productive

forces, and the question of how to make a breakthrough in this regard has already become a difficult point in deepening reform. Another one is the contradiction between the changed enterprise mechanisms and the government functions. To change the mechanisms of enterprises, the conditions of internal and external environments are needed. Now, the inadequate coordination in external environment has become increasingly conspicuous; the reform of labor, employment, and distribution systems have not been carried out simultaneously; and some staff and workers have complained about these reforms. In addition, there is the contradiction between policies of various departments and the invigoration of various regions. This contradiction is extremely conspicuous. Failing to solve this contradiction, we will be unable to deepen reform.

At the conference, leaders of the provincial departments concerned and responsible persons of some enterprises answered the reporter's questions.

A reporter asked: At present, most enterprises are over-staffed. After optimizing organizations and employing the best qualified, there must be even more of a surplus work force. Then, how should the surplus work force be arranged, and what ways will the provincial authorities adopt to arrange the surplus work force? Zhang Fu, director of the provincial labor bureau, said: At the moment, the general principle for arranging the surplus work force is to mainly make enterprises arrange their surplus work force through their own efforts, with the social endeavor as the supplementation. There are mainly four channels for enterprises to arrange their own surplus work force: 1) Running the tertiary industry and opening up new employment opportunities; 2) removing workers to have them undergo training to improve their quality and then making them await new employment; 3) making those who are near retirement retire in advance; and 4) signing contracts with surplus workers under which they can be kept on the enterprise roll, with their salaries being suspended, or they can seek jobs by themselves. In arranging the surplus work force through the endeavor of society, departments concerned should carry out the labor export in a well-organized and planned manner. At the same time, the social labor service market should be established as quickly as possible to regulate the surplus and deficiency.

The other reporter asked: After reforming the labor, employment, and distribution systems, how many workers out of service and awaiting jobs are there in the province, and how many workers can be covered by the existing insurance fund? Zhang Fu said: The labor reforms, employment, and distribution systems have just begun in the province. Thus far, the workers awaiting jobs are very limited, about several tens of thousands. The province's unemployment insurance capacity is still very weak at present. This is mainly because of the low level of insurance premiums and the difficulty in collecting insurance premiums. The province's unemployment insurance fund comes mainly from enterprises, staff and workers, and financial subsidies. According to

calculation, state-run enterprises in the province can collect 100 million to 120 million yuan of unemployment insurance premiums annually, and this figure can cover the unemployment insurance of 80,000 to 100,000 persons. Unemployment insurance work should be accelerated as far as possible.

Another reporter asked: The stock market is very brisk in Shanghai and Shenzhen, and many fields have been benefited. Is there any move in our province? Song Shihe, vice chairman of the provincial structural reform committee, said: Our province's departments and leaders are also very interested in the stock market. However, to run the stock market, we need the approval of the central authorities, and localities have no autonomy. Our province's principle is going all out to obtain it.

### **Jilin Secretary Interviewed on Opening Up**

HK0906120392 Hong Kong TA KUNG PAO  
in Chinese 30 May 92 p 4

["Special interview" by staff reporter Shao Kan (6730 1626): "Jilin Changes Image as Inland Province—Provincial Party Committee Secretary He Zhukang on New Pattern in Opening Up to Outside World"]

[Text] Changchun, 29 May (TA KUNG PAO)—"Deng Xiaoping's talks during his southern China tour have struck root in the hearts of the people, have become a hot topic of discussion in the streets and lanes, and are swiftly transformed into people's action. The development momentum of deepening the reform has been faster and better than expected." In an interview with this reporter, He Zhukang, Jilin Provincial CPC Committee secretary, who had just returned from investigations in the rural areas and had not fully recovered from fatigue, talked freely about Jilin Province's new situation of reform and opening up.

### **Good Atmosphere of Accelerating Reform Has Taken Shape**

"In terms of reform and opening up, there is still a big gap between Jilin and the coastal provinces and municipalities. In the final analysis, this is because the issue of emancipating the mind has not been solved satisfactorily." He Zhukang made this remark not without reason. When visiting and studying eight provinces and municipalities including Guangdong, Hainan, and Shanghai at the head of a study group at this time last year, he came to a conclusion then and there that "only by emancipating the mind can the economy be invigorated." Since then he has been talking about emancipation of the mind at every meeting. He loudly appealed to the public for the need to get rid of "leftist" fetters, and said that "to catch up with work, it is first necessary to catch up ideologically." We should "use the flowing water of reform and opening up in other places to set off a new upsurge of emancipating the mind in Jilin." In this way he has broadened the vision of all people from top to

bottom and brought about further emancipation of the mind among cadres at all levels in the province.

### **Readjust Strategy of Opening Up**

Touching on Jilin's new ideas and measures for opening up, the provincial party committee secretary said: "The State Council's decision to turn Hunchun into an open border city and the restoration of Tumen Jiang's right of access to the sea indicate that Jilin Province has entered a new stage in opening up to the outside world and, with the continued development of the lower reaches of Tumen Jiang, Jilin's previous image as an 'inland province' will certainly be gradually changed. In view of this, we have readjusted the strategy of opening up. In opening up to the outside world, Jilin should not only persist in opening up in all directions but also combine with making breakthroughs at key points. Opening up in all directions means opening up to all countries and regions and to all provinces, municipalities, and autonomous regions in the country, and bringing Jilin's economic growth into line with the country's unified market and the world's major economic markets. Making breakthroughs at key points means developing a pattern of diversified international markets with the Hunchun open zone and the Changchun hi-tech development zone as pivots and such key cities as Changchun and Jilin and the border areas along the Tumen Jiang and Yalu Jiang as a prop."

He Zhukang places a great hope on the Hunchun open zone. He said: "Hunchun is a geometrical central area of northeastern Asia. This unique geographical position is irreplaceable by other places. Moreover, the state and the provincial authorities recently granted open cities and development zones various preferential policies. We should seize this opportune historical moment, boldly use the experiences of the special economic zones, and employ the method of regional breakthroughs and snowballing growth to speed up construction so that Hunchun can truly play the dual role as a medium for opening up to the outside world and as an example for other parts of the province." Obviously, He is full of confidence in Hunchun's future.

### **Go All Out To Develop Economic and Trade Relations With Neighboring States**

On Jilin's economic and trade relations with neighboring states (regions), He Zhukang was pleased to say: "Jilin Province has made considerable progress in foreign economic relations and trade in recent years. There are now 45 bases serving as 'mediums' for dealing with foreign countries. We have established good economic and trade relations with 135 countries and regions and there is a considerable increase in foreign exchange earnings through export every year." Then, he briefed this reporter on the new idea of expanding economic and trade relations with northeastern Asian countries and with Hong Kong and Taiwan:

- Japan. Increase the strength of Japan-based institutions and, while consolidating and vigorously developing economic and trade relations, work hard to expand economic and technological exchanges and cooperation and to import capital and technology, and strive to set up stable labor service export bases in several Japanese prefectures in two to three years.
- The Commonwealth of Independent States. Vigorously develop barter trade, attach equal importance to commodities exchange and spot exchange transactions, and integrate direct trade, entrepot trade, and contra-account trade. Energetically develop contracts for projects, expand labor service export, run joint ventures, take an active part in the development of coastal border area, and strive to it into an economic and technological cooperation area in Jilin in two to three years.
- North and South Korea. Utilize the advantages of Jilin Province to develop spot exchange trade, barter trade, entrepot trade, and multilateral trade. Encourage non-governmental units to develop economic and trade relations with South Korea and attract South Korea's capital and technology. We plan to launch joint trade fairs in Hunchun, Tumen, Jian, and other cities adjacent to North Korea.
- Hong Kong and Macao. Fully utilize the traditional economic and trade channels with Hong Kong and Macao to further develop import and export trade, entrepot trade, or multilateral trade, and absorb foreign capital and import technology through Hong Kong and Macao. While consolidating relations with old customers, we should make more new friends who are creditworthy and powerful.
- Taiwan. Jilin Province has formulated a new policy to attract Taiwan capital to the north. Meanwhile, we will strengthen economic and trade relations and cooperation with Taiwan businessmen. The current momentum is very good and it is believed there will be good results in the next few years.

**Gradual Improvement in Soft Investment Environments**  
[tou zi ruan huan jing 2121 6327 6516 3883 1064]

"The opening of Hunchun and the official reopening of Tumen Jiang's navigation line have turned Jilin into a province with a direct access to the sea, and its soft and hard investment environments are constantly improving. It is believed that people of foresights from all circles will come here to make definite investment decisions." Those were He Zhukang's remarks when he talked about Jilin's investment environment.

He Zhukang went on to brief on Jilin's investment environment, saying: "In line with the spirit of Deng Xiaoping's talks on 'three mores,' Jilin Province has introduced a number of preferential policies. They include a 10-point preferential policy granted to the Hunchun development zone, an 11-point preferential policy granted to Changchun City's hi-tech industrial

development zone, and a 17-point preferential policy for encouraging investments from Taiwan compatriots. Various prefectures and cities have also promulgated their own preferential policies. The general principle of these preferential policies is 'to give in order to take' and 'to make profit concessions first and get profits later.' That is to say, if we want to attract more overseas capital and technology to Jilin, we should give our friends the opportunity to start business and become prosperous. To sum up in one sentence, our soft environment should have an appeal."

With regard to Jilin's hard investment environment, He Zhukang disclosed: In telecommunications, all Jilin's cities at or above the prefectural and city level will be program-controlled by the end of this year. In air and shipping lines, there will also be substantial improvements by the end of this year. Changchun City airport has been approved as an international air harbor, and international flights between Changchun and Hong Kong, between Changchun and Sendai, and between Changchun and Vladivostok are expected to be open in the near future.

"By that time, we will have the feeling that 'the world is very big and like a family' and overseas friends will be able to 'come in the morning and go in the evening,'" said He Zhukang in conclusion with a sense of humor.

**Liaoning Holds Enlarged Plenum on Reform Tasks**

SK0806084092 Shenyang LIAONING RIBAO  
in Chinese 13 Apr 92 p 1

[Text] On the afternoon of 11 April, the seventh provincial people's government held the ninth (enlarged) plenum. Major items on the plenum's agenda are to earnestly study, deeply understand, and resolutely implement the spirit of the important speeches of Comrade Deng Xiaoping, of the plenary session of the CPC Central Committee's Political Bureau, and of the fifth session of the Seventh National People's Congress; to study the issues of how to further emancipate minds by proceeding from the province's reality, how to enhance the force of reforms, and how to broaden the opening; and to vigorously grasp the implementation of various work based on the current situation. During the plenum, Governor Yue Qifeng first informed the participating personnel about the important results of the economic and technical talks with foreign countries and about the commodities trade fair in Hong Kong sponsored by the province's foreign-funded enterprises as well as about the results of the fifth session of the Seventh National People's Congress. He also delivered an important speech on the issues of how to study the spirit of the important speeches of Comrade Deng Xiaoping and of the plenary session of the CPC Central Committee's Political Bureau and how to do a good job in the current work.

Yue Qifeng said in his speech that units from top to bottom throughout the province are earnestly studying and implementing the spirit of the important speeches of



Comrade Deng Xiaoping and of the plenary session of the CPC Central Committee's Political Bureau. In the recent period, various localities are relatively active in ideology; vast numbers of people are full of enthusiasm; and many localities have studied some good opinions offered in the speeches and are implementing them step by step. However, judging from the whole situation, research on the issues of how to accurately and profoundly understand in an overall way the spirit of the important speeches of Comrade Deng Xiaoping and of the plenary session of the political bureau should be further profoundly and carefully carried out, and the study of some opinions and measures given in the speeches and plenary session is still relatively haphazard. We still lack profound study in the issues of how to make full use of the province's existing foundation to accelerate the development, how to seize the initiative in conducting technical renovations among the outdated enterprises, and how to correctly deal with the relationship between economic growth and results. We should further profoundly and carefully engage in study and implementation in the next period of how to further emancipate our minds in line with the province's reality, how to deepen the reform drive, how to broaden the opening, and how to successfully work based on the current situation.

In citing the issue of how to earnestly study, profoundly understand, implement in an overall way, and resolutely follow the spirit of the important speeches of Comrade Deng Xiaoping and of the plenary session of the CPC Central Committee's Political Bureau in his speech, Yue Qifeng stressed that the key to realizing the demands lies in grasping the following four tasks:

First, it is imperative to understand accurately, profoundly, and in an overall way the important meaning and ideological quintessence of Comrade Deng Xiaoping's speeches. This represents the foundation of successfully implementing the spirit of the important speeches of Comrade Deng Xiaoping.

Second, in implementing the spirit of the important speeches of Comrade Xiaoping, we must always and vigorously grasp the key of emancipating minds and eliminating the "leftist" influence. This is an important issue in Yue Qifeng's speech. He pointed out that emancipating minds and eliminating the "leftist" influence represent the precondition for emancipating and developing productive forces. Over many years, some comrades have been unable to freely determine whether a move is "socialist" or "capitalist" or to take a step as soon as they have encountered this issue. They have even been unwilling to take risks rather than damage the economic development. After enumerating in his speech various expressions reflecting the "leftist" ideology occurring in real life, Yue Qifeng pointed out that the key to handling these expressions is to consciously use the "three aspects" favorable for reform and opening mentioned by Comrade Xiaoping to measure our work through studying the spirit of the important speeches of Comrade Xiaoping and of the plenary session of the

CPC Central Committee's Political Bureau; to measure the extent of our emancipation of minds; to measure the quality of our cadres' contingent; and to measure what we did before and the policies and documents issued before. According to the spirit of Comrade Xiaoping's speeches, we should continue to uphold what is right and resolutely correct what is wrong to enable the thinking of cadres and the masses throughout the province to be truly united with the spirit of Comrade Xiaoping's speeches and to enable the province as a whole to launch a mass campaign to emancipate minds, to truly cast away ideological burdens, to take action immediately, and to take part in the campaign with nothing on its conscience.

Third, by proceeding from the province's reality, it is imperative to do a good job in grasping the emphasis of fixed economic strategy, to boldly pioneer the road of advance, and to actively make progress. At present, our province's economy is developing toward a favorable orientation. In spite of spring drought, the sowed acreage of wheat increased and the transplanting operations in paddy fields may be basically ensured. Hopefully the province will harvest 15 billion kg of grains this year if no serious natural disasters occur. If we earnestly grasp again the development of township-town enterprises and street-neighborhood industries this year, it is very possible that will maintain a favorable trend in this regard. The situation in opening, foreign trade, and exports is also fine. It is very possible for the province to take a greater step in earning foreign exchange through exports and opening to the outside world if it does a good job in this regard. Commodities in markets are abundant, both purchase and sales are brisk, and the index of commodity prices is relatively stable. However, some more problems are still occurring in industrial production and financial affairs. In the first quarter this year, the province's industrial production at or above the township level showed a 15.6 percent increase over the same period of 1991, although the pace is faster and economic results are not ideal. The major reason for the high speed is the brisk sales in markets of the means of production throughout the country. How long we can enjoy such brisk sales is worth studying. In particular, we should note that although the pace is up, some enterprises are going to form a trend of blindly seeking output and output value by paying no attention to product quality. In the first two months this year, the occupation of "three funds" continued to increase; the rate of money-losing enterprises reached 57.5 percent, an 11 percent increase over the final 1991 figure, and the volume of losses caused by enterprises reached 303 million yuan, equalling the 1991 level. All of these are worth noting. As long as the current situation exists, we will certainly suffer greater losses and accept more disastrous consequences in the brisk sales of the means of production if we fail to ponder the issue in a sober-minded way; blindly contend that we should seize the opportunity to engage in the "drive"; simply seek output and output value; neglect the readjustment of the structure of industries and products, product quality, enterprise management, and technical renovations; and even

lose our heads in a moment of excitement. The issue raised today is aimed at urging comrades to pay close attention. Under the currently momentary brisk sales in markets of the means of production, we should remain sober-minded and draw lessons from the disastrous incidents of the past. After briefly analyzing the current situation in the province's economy and the ideological tendency of some comrades in his speech, Yue Qifeng pointed out that a long journey is started by taking the first step and that to quicken the development, Liaoning must base itself on the current task and grasp well this year's work. He said that the long-term target is to be realized step by step and can be obtained by relying on various sectors' efforts. Failing to seize the current task means losing the long-term target, and failing to seize today means losing tomorrow. The emphasis in developing the province's economy in the future has been fixed through the repeated studies conducted by the provincial party committee and must be grasped well and unswervingly. He emphatically said that to quicken the development, Liaoning Province should depend on the following three tasks: 1) A good job should be done in technically renovating outdated enterprises and readjusting the structure of industries and products; in following the road of tapping enterprises' internal potential and conducting intensive farming; in upgrading the grade, quality, and technical content of products; in enhancing enterprises' management and operations; and in upgrading enterprises' quality and economic results. 2) Strenuous efforts should be made to develop township enterprises, district-neighborhood industries, and tertiary industry and by no means should our will be shaken in handling this issue. 3) Efforts should be made to seize the opportunity to broaden the opening and to upgrade the level of opening. During the Eighth Five-Year Plan period, the development of "three-capital" enterprises and the earning of foreign exchange through the exports of local products should be improved to a new level. Yue Qifeng particularly and emphatically pointed out in his speech that all these represent the most practical ways to quicken the province's development and also the largest reserve strength for developing the economy. Removing ourselves from the existing basis while discussing development means seeking far and wide for what is close, and this may even cause further waste. If we do this, it is very possible that we will not only fail to grasp major tasks but also fail to rid ourselves of trifling ones, fail to adopt new technologies and to enable the outdated enterprises to become more current, and fail to conduct urban construction successfully and also to delay rural construction. We must earnestly learn lessons from the bitter experience gained over the past years.

Yue Qifeng also emphatically stressed in his speech that in the whole course of economic development, it is imperative to improve reform strength through the whole course of economic work. In quickening the reform, first, we should earnestly implement the "enterprise law," smash the "three ironclad objects and eating from the same big pot," shift the managerial mechanism of enterprises, and boost large and medium-sized enterprises. Second, we should do a good job in conducting the auxiliary reform in the social security system and reform in the housing system. Third, we should do a good job in conducting reform in the systems of finance, banking affairs, commerce, and grains, in developing a large number of markets for the means of production, and in actively fostering or developing market systems. Fourth, we should do a good job in shifting the function of governments and making all-out efforts to successfully switch losses to profits and to conduct strict management. We should open more avenues for emancipating and developing the productive forces of socialist society through the quickening of reform.

Fourth, it is imperative to truly grasp the work, to do practical deeds, and to vigorously grasp implementation. In concluding his speech, Yue Qifeng emphatically said that the most practical and pressing task for accelerating the development of the province's economy is to have units from top to bottom across the province emancipate their minds and vigorously grasp implementation. In particular, we should be bold enough and allow some freedom in trying to take action. The creative spirit of the broad masses of cadres and people throughout the province is not inferior to others' and the province's conditions are not bad. First of all we should create a flexible environment and climate for permitting experiments. The provincial authorities are chiefly responsible for realizing the task in this regard. Comrade Jiang Zemin recently stressed that the fundamental policies had been fixed and that the key to realizing these policies was in vigorously grasping implementation, truly conducting the work, and doing practical deeds. We have usually said that idle talk can delay state projects and that doing practical deeds can make the state prosperous. Such a saying is especially important for Liaoning Province, which should make achievements in emancipating minds, deepening the reform, expanding the opening, and accelerating the development, as well as talking little and doing much according to what Comrade Xiaoping said. We should overcome bureaucracy, subjectivism, and formalism fundamentally; adopt resolute measures to enforce responsibility systems at every level; grasp the fixed tasks entirely; and improve the province's programs of reform, opening, and economic construction onto a new stage by truly seizing the precious opportunity.

### Taiwan Said Concerned Over 'Sagging Investment'

OW0606125292 Beijing XINHUA Domestic Service  
in Chinese 0623 GMT 6 Jun 92

[By reporter Wan Hongqiang (8001 4767 1730)]

[Text] Beijing, 6 June (XINHUA)—The fact that Taiwan's nongovernmental sector has little interest in investing on the island has caused great concern on the part of relevant authorities in Taiwan. Despite a series of meetings aimed at boosting investment on the island, few results have been achieved. As individuals in industrial and commercial circles put it, these meetings turned out to be nothing more than empty talk. The only way to promote Taiwan's economy, they said, is to enlarge the scope of economic cooperation between the two sides of Taiwan Strait.

Sagging investment in Taiwan has been a hidden danger for Taiwan's economy in recent years. The main reason for the poor investment situation lies in the grave deterioration of the island's investment environment. Rapid growth in industrial-use land prices, a severe labor shortage, large increases in labor costs, the stable appreciation of the Taiwan dollar, poor public security conditions, social disturbances, and other factors have forced private investors to become more hesitant.

According to statistics released by Taiwan's "Ministry of Economic Affairs," the growth of nongovernmental investments in fixed assets in the first quarter of this year was at just 6.6 percent, lower than the fourth quarter of last year. The import of capital and equipment dropped 3 percent during the January-April period, showing that the growth rate of nongovernmental investment is not as compatible with economic growth as it was in the past. As far as this problem is concerned, individuals within Taiwan's industrial, commercial, and economic fields are filled with anxiety.

In recent years, the sense of environmental protection—a cause greatly advocated in Taiwan—has become a great hindrance to nongovernmental investment. The construction of the sixth ethylene cracking plant in Taiwan, a petrochemical project that has been planned by the Formosa Plastics Corporation for five years, just passed an environmental protection appraisal test at the end of last month. Wang Youngzai, president of the Formosa Plastics Cooperation, said critically that it is very difficult for any enterprise to find room to develop in view of the incompatibility of Taiwan's economic and environmental protection policies. Even Taiwan's officials in charge of economic affairs have to acknowledge that the major reason for nongovernmental investment's failure to rebound lies in a situation in which departments concerned have placed too many responsibilities on investors rather than giving them more encouragement.

Stable increases in labor costs caused by a labor shortage is also a pain in the neck for Taiwan's investors. According to information released by Taiwan's statistics

department, increasing wages for Taiwan's manufacturing workers during the period between 1986 and 1990 surpassed the growth of economic results enjoyed by enterprises. In the January-February period of this year, there was another 7 percent wage increase, outpacing enterprises' ability to shoulder it. Labor shortage has forced some labor-intensive enterprises to go somewhere else to search for a better life.

This year witnessed severe struggles in Taiwan's political arena. During the "Interim Session of National Assembly" held in Taiwan in the period between March and May, the Democratic Progressive Party took to the streets to oppose the Kuomintang's efforts to "amend the Constitution," causing disturbances in Taipei. Elections for members of the Control Yuan, the National Assembly, and the Legislative Yuan will be held later this year. It is expected that more confrontations will occur, creating an uneasy situation in Taiwan society. Individuals in commercial and industrial circles say that labor-intensive industry will become less competitive and that technology-intensive industry will experience a slow return of capital investment. In an unstable political environment, the inevitable result will be little interest on the part of businessmen in increasing investments.

In light of the deteriorating investment environment in Taiwan and the small amount of interest in investment by the nongovernmental sector, individuals in industrial, commercial, and economic circles have suggested that the only way to maintain economic development in Taiwan is to enlarge economic and trade contacts and cooperation between the two sides of Taiwan Strait. Wu Sizhong, president of Taiwan's Xiling Electronic Company, said: It is an unavoidable trend for Taiwan businessmen to invest in the mainland because of the deteriorating investment environment in Taiwan. An entrepreneur in Taiwan did not hesitate to say that, when comparing investment environments in Taiwan and the mainland, the latter is carrying out a reform policy that seems to have more favorable conditions and that the authorities should not impose any limitations on trade between the two sides of Taiwan Strait. Other people maintained: Taiwan has a limited market. If enterprises increase in size and economic efficiency, they should move to the mainland where an ample supply of labor and natural resources can be found. According to data recently released by Taiwan's "National Association of Industry and Commerce," 49 percent of Taiwan businessmen, believing that there will be good prospects for investing in the mainland, intend to increase investments there. This figure, representing a nearly 20 percent increase over that of March, shows Taiwan businessmen's increasing faith in investment in the mainland.

### Beijing Radio 'Article' Examines Taiwan Inflation

OW0606110392 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 5 Jun 92

[“Article” by listener Chen Youli from Liaoning Province: “The Reasons for Inflation in Taiwan”; from the “News and Current Events” program]



[Text] According to reports by newspapers in Taiwan, commodity prices in Taiwan have been increasing steadily since the beginning of the year. In April, the inflation index reached 6.14 percent, hitting its highest level since October 1990. The sharp rise in commodity prices has aroused dissatisfaction among the broad masses of consumers in Taiwan. In particular, families with medium and low income have made a lot of complaints. Some people wrote letters to newspapers to express their difficult position in the face of such rapid inflation.

The continuous rise of commodity prices has also drawn the attention of the Taiwan authorities. Taiwan's President of the Executive Yuan [Premier] Hao Po-tsun asked leading members of various departments to consider stabilizing commodity prices as a main task on 7 May.

Looking at reports by news media in Taiwan, there are diversified views concerning the sharp rise of commodity prices in Taiwan, including some conflicting views. We should see that the Six-Year Development Program in Taiwan has indirectly pushed commodity prices higher, while the increase in commodity prices has also raised the program's expenditures. This is a vicious circle and may be one of the reasons for the sharp rise in consumer prices.

According to an analysis made by Taiwan's Ministry of Economic Affairs, the labor shortage and rising land prices situation existed before the Six-Year Development Program. After the start of the program, the labor shortage has become even more serious and has led to higher wages. Land prices also increased after the start of the program. Rising labor costs and land prices cannot but influence the prices of various commodities.

The leading departments in charge of the Six-Year Development Program have taken the same view that the rise in consumer prices has created a situation in which the program is faced with the pressure of sharp rises in construction costs inasmuch as the estimation of the costs of the program is based on an annual inflation rate of less than 3.5 percent. Now the rate of inflation has reached 6.14 percent, and it is necessary to increase the budget for various construction projects. The increasing construction costs of the Six-Year Development Program will in turn influence and lead to the steady rise of commodity prices.

Also, the steady rise in commodity prices in Taiwan has been caused by the following: 1) There is a distortion from production to market distribution and a large difference between wholesale and market prices with several times difference in some cases; 2) rent, especially the rent of commercial buildings, has been constantly rising and it has increased the costs of commodities; and 3) the huge money supply accumulated over the past years has also resulted in serious inflation. Those reasons have caused the steady rise of commodity prices.

Therefore, we can see that, to solve the problem of inflation in Taiwan, it is imperative to select a right

medicine for the illness and adopt comprehensive measures to improve Taiwan's society.

### Taiwan Urged To End 'Outmoded' Film Rules

OW0706183692 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 6 Jun 92

[Unattributed commentary; from the "News and Current Events" program]

[Text] The Government Information Office of Taiwan's Executive Yuan decided on 27 May to forbid Taiwan writer Qiong Yao; her husband, Ping Xintao; and two other people, Chen Zhongwei and Shen Yi, from producing any movie on the mainland for one year, on the grounds that they hired many mainland performers when they produced their television serial, "The Green Grass by the River."

Because of their anticommunist stand, authorities in Taiwan have passed many restrictive regulations and rules. One of them is that Taiwan cinematographers and television producers who make motion pictures on the mainland shall not hire mainland performers in the main and supporting roles; violators shall be forbidden to make movies outside Taiwan for a period of one year.

When this rule was announced, people within cinematographic and television circles on both the mainland and Taiwan immediately expressed their dissatisfaction and opposition.

When the Taiwan authorities terminated the period of suppressing communist insurrection a year ago, they should have also discarded their irrational regulations and rules. It is a surprise, therefore, to see that the Taiwan authorities have again made use of such an outmoded regulation. This is truly incomprehensible and regretful.

Out of the necessity of exchange and cooperation in the sphere of cinematography and television production, it is very common for movie makers of one country to hire performers of another country, and this should have absolutely nothing to do with politics. Why should it be outlawed for people within Taiwan's cinematographic and television circles to hire mainland performers to assume leading and supporting roles, since both the mainland and Taiwan belong to one country? What harm would it cause Taiwan? Moreover, the aforementioned television drama was not the first one in which mainland performers were hired to act.

Many people within Taiwan's cinematic and television circles have questioned the Taiwan authorities for their harsh penalties and consider the decision unfair. It is hoped that the Taiwan authorities will revise the outmoded regulations and discard their outmoded practices.

### Visiting Taiwan Scholar Granted Honorary Title

OW0506131892 Beijing XINHUA in English  
1314 GMT 5 Jun 92

[Text] Tianjin, June 5 (XINHUA)—At a ceremony held here today, Wu Ta You, a leading Taiwan physicist who is now visiting the mainland, was granted the academic title of Honorary Doctor by his old school, Nankai University.

Wu studied for four years at Nankai Middle School and four years at Nankai University. After graduation he worked as a teacher at the Nankai University for another two years.

This time Wu is visiting his alma mater 60 years after he left.

After accepting the honorary title, Wu said that the 10 years during which he received his basic training in science laid the foundation for his whole life's work.

He noted he was very happy to see that the university has progressed from being a small school with only 300 students to the present major university with over 10,000 students.

At the ceremony, Mu Guoguang, president of the university, presented Wu a photo-offset copy of his school report, which showed Wu graduated top of the science department in the university.

Attending the ceremony were over 300 people, including officials from the State Education Commission and Tianjin government, and representatives of Nankai's teachers and students.

### Ends Visit, Returns to Taiwan

OW1106100592 Beijing XINHUA in English  
0927 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—Professor Wu Ta-you, an eminent Taiwanese physicist, ended his near one-month tour of the Chinese Mainland and departed Beijing for Taiwan this morning.

Professor Wu, 85, who became the highest level Taiwanese scientist to visit mainland, arrived at Beijing on May 17 from Taipei. The arrival marked the professor's first return to the mainland since he left Beijing in 1946.

During his stay Wu visited Beijing and Tianjin, and participated in an international academic conference, in addition to visiting a number of science research institutes and related installations.

Beijing University honored Wu by naming him an honorary professor, while Tianjin's Nankai granted him an honorary Ph.D.

Just prior to his departure, the professor told XINHUA reporters that he had observed many great and wide-ranging achievements on the mainland. He especially

noted that buildings and public installations in Beijing have taken on a new look compared with the situation only a few decades past.

Wu expressed great pleasure with the trip, and cited special gratefulness for the special care and hospitality provided by numerous mainland units and departments.

Zhu Guangya, chairman of the China Association for Science and Technology, a former student of the professor, joined with a number of his former students, friends and relatives at the airport to bid farewell to the renowned professor.

### Visits Hailed

HK1106063892 Hong Kong LIAOWANG  
OVERSEAS EDITION in Chinese No 22, 1 Jun 92 p 2

["Letter From Beijing" column by Bao Xin (7637 0207): "Good Sign of High-Level Cross-Strait Contacts"]

[Text] Dear brother:

It was May in Beijing when two renowned persons, Mr. Chao Yao-tung, former "economics minister" in Taiwan and now consultant to Taiwan's Chinese Economic Research Institute, and Professor Wu Ta-you, president of the "Academia Sinica" in Taiwan, came from the other side of the strait for visits. They were cordially welcomed and were accorded great importance. From reports by the mass media on both sides of the strait, their "academic journeys" on the mainland have produced extensive influence at home and abroad.

Observers here think that the visits by Mr. Chao Yao-tung and Professor Wu Ta-you are a good sign of high-level contacts across the strait, and have played a very good role in promoting exchanges between both sides of the strait.

Reflecting on the process of contacts between both sides of the strait in the past several years, people can see a gratifying trend: The scope and domain of contacts have continuously expanded, the contents have become richer and deeper, and the numbers participating in contacts have increased. Through various kinds of exchanges, the understanding between both sides of the strait has been enhanced, a common consensus has been fostered, and relations across the strait have been promoted. However, people feel with regret that due to obstruction by artificial factors, the exchanges between both sides of the strait are still in a unilateral, unbalanced, and low-level state. This situation lags far behind the demands of the people on both sides of the strait and the objective trend in the development of ties across the strait.

Mr. Chao Yao-tung was Taiwan's "economics minister" and participated in formulating Taiwan's economic policies; he is an influential and renowned figure in Taiwan's political and economic circles. Professor Wu Ta-you is called the "most respected person" in Taiwan's scientific circles; he has made outstanding contributions to scientific and technological development in Taiwan,

and his academic achievements command high esteem in scientific circles on the mainland. Their visits to the mainland have upgraded the level of exchanges across the strait and are in accordance with the tendency of development of ties across the strait, therefore their visits have been cordially welcomed by the people and those in academic circles on both sides of the strait, and have been accorded great importance at senior levels.

A newspaper in Taiwan pointed out that among Taiwan scholars who have attended academic conferences on the mainland, Wu Ta-you is the most senior. His mainland visit can be viewed as a new model for future exchanges between senior scientific and technological personnel on both sides of the strait, and has opened up a new situation of contacts between both sides of the strait.

When in Beijing, Mr. Chao Yao-tung and Professor Wu Ta-you attended academic meetings, carried out extensive contacts with renowned persons of academic circles, visited and inspected some places on the mainland, and offered some good ideas with insight on further exchanges across the strait. Mr. Chao Yao-tung said that exchanges across the strait should have the aspiration of reunification of China, and that economic and trade exchanges across the strait are a normal phenomenon and should not and cannot be blocked. Professor Wu Ta-you said in Beijing that there must be a concrete plan for further strengthening scientific and technological exchanges and cooperation, a plan which must be seriously implemented. According to information, Professor Wu has invited 12 members of divisions of the Chinese Academy of Sciences to visit Taiwan, and the first batch of six persons will probably leave for Taiwan in early June. He also invited the nine fellows of the "Academia Sinica" who were elected at the first meeting of fellows and who are currently on the mainland to come to Taiwan in July to attend the 19th meeting of fellows.

Mr. Chao Yao-tung and Professor Wu Ta-you have high status, deep insight, and broad knowledge; their thoughts, opinions, and actions have a great rallying power and influence with the public, and they will have a certain impact at the decisionmaking level. This kind of high-level exchange can play the function of organization, guidance, and promotion, therefore it will lead the exchanges between the two sides of the strait to a broader domain and deeper content. Obviously, this kind of exchange cannot be replaced by general exchanges at a lower level.

At present, various exchanges across the strait are gradually developing from a unilateral to a bilateral pattern and from a lower to a higher level, and this is an objective trend which cannot be changed by man's will. Those in power should make the best use of the situation and promote the development of this trend. Up to now, the Taiwan authorities are still stubbornly clinging to the so-called principle of a three-phase "reunification program" and, using preconditions which are unacceptable to the mainland as an excuse, preventing the exchanges

between both sides of the strait from developing in a direct, bilateral, and high-level direction. This is regrettable. Mr. Chao Yao-tung's words were convincing when he said that we should have a healthy attitude toward the exchanges across the strait. People are waiting and hoping to see whether the Taiwan authorities will conform to the people's will, lift various restrictions on exchanges across the strait, and bring the exchanges between both sides of the strait onto a bilateral, direct, and high-level course.

[signed] Bao Xin

[dated] 26 May

### Chen Xitong Meets Taiwan Olympic Body Member

OW1006080492 Beijing XINHUA Domestic Service  
in Chinese 1240 GMT 9 Jun 92

[By reporter Li Hepu (2621 6320 2528)]

[Text] Beijing, 9 June (XINHUA)—Chen Xitong, mayor of Beijing Municipality and chairman of the Beijing Olympic Application Committee, warmly met Wu Ching-kuo, member of the International Olympic Committee from Taipei, and his wife at the Beijing Municipal Government office today.

Forty-six year old Wu Ching-kuo is an architect by profession, played basketball during his student days, and currently enjoys tennis and golf.

Chen Xitong extended his welcome to Wu Ching-kuo and his wife. He briefed the guests on the situation regarding Beijing's application to host the Olympic games as well as on scenic spots in the ancient city. He said: Since the release of Comrade Deng Xiaoping's southern tour speech, China has quickened the pace of reform and opening up to the outside world, and exchanges between the two sides of the straits have increased. I hope Mr. Wu Ching-kuo and other friends will come and visit Beijing often.

Mr. Wu Ching-kuo thanked the Beijing Olympic Application Committee for their warm hospitality. He said Beijing has a very rich cultural heritage, and thus it is appropriate for Beijing to apply for the rights to host the Olympic games.

Chen Xitong presented the guests with a golden key emblazoned with Beijing's application to host the 2000 Olympic as well as a pictorial on of the city.

Also present during the meeting were He Zhenliang, vice chairman of the International Olympic Committee and chairman of the Olympic Committee of China; Zhang Baifa, vice mayor of Beijing Municipality and vice chairman of Beijing Olympic Application Committee; and Chia Wei-chieh, Mr. Wu Ching-kuo's assistant.

After the meeting Chen Xitong, He Zhenliang, Zhang Baifa, and Mr. Wu Ching-kuo played tennis together.



## Hong Kong

### Further Reports on Governor Wilson's Beijing Trip

#### Stresses Anglo-Chinese Ties

OW0906131592 Beijing XINHUA in English  
1240 GMT 9 Jun 92

[Text] Beijing, June 9 (XINHUA)—Hong Kong Governor David Wilson said here today that having a cooperative, sensible and practical relationship with China "is of great benefit to Hong Kong."

Lord Wilson made the remarks when he talked about his experience as Hong Kong governor over the past five years at a press conference held in the British Embassy here.

He told reporters from the mainland and Hong Kong that Hong Kong's economy is doing very well indeed, adding that compared to the rest of the world, it's doing extremely well.

A lot of that is "due to the economic development of China, particularly in southern China," he said.

He noted that the value of the two-way trade between Hong Kong and the mainland went up by 27 percent last year. That will give the people "some idea of the tremendous development" in Hong Kong's economic relations with the mainland, he said.

He briefed the reporters on his three-day visit to Beijing, saying that he was pleased with the warm and friendly reception accorded to him during the visit.

On the construction of a new airport in Hong Kong, Wilson said the airport is very important to Hong Kong, both now and the special administrative region of Hong Kong after 1997 and for the sort of the role that Hong Kong can play in the economic development of southern China.

He said that both Britain and China have the view that they should get on with the airport project as quickly as possible.

He said he did not see any basic difference on the need for Hong Kong to have a new airport and the need to get on with the project as envisaged in the Memorandum of Understanding on the New Airport.

Wilson also explained his views on the financial issue concerning the construction of the airport and other issues.

After the news briefing, Li Lanqing, minister of foreign economic relations and trade, met with and gave a luncheon in honor of Wilson and Lady Wilson and other guests at the Great Wall Hotel.

Wilson and his party left here by air this afternoon for Chongqing on a sight-seeing tour of the Three Gorges of

the Yangtze River, in the company of Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council.

#### Warns on Involvement in Mainland Affairs

HK1006060192 Hong Kong SOUTH CHINA  
MORNING POST in English 10 Jun 92 p 3

[By Kent Chen and Geoffrey Crothall in Beijing]

[Text] The Governor, Lord Wilson, yesterday cautioned Hong Kong people not to become too involved in the political affairs of China.

"If Hong Kong is to survive, it will have to exercise a sense of self-restraint and not become excessively involved in the mainland's political affairs," he said.

"We do not want to see Hong Kong interfering in China's internal affairs or China interfering in Hong Kong's affairs."

Lord Wilson's remarks, made after two days of talks with senior Chinese leaders, appeared to be directed at activists in Hong Kong critical of China's policy on human rights and failure to release political prisoners.

As economic links between Hong Kong and China became closer, the danger of political interference grew; it was therefore imperative for the people of Hong Kong to exercise more self-restraint on political matters, he said.

Lord Wilson said the Hong Kong Government was faced with a "long and continuous" problem in explaining the territory's relatively liberal political system to Beijing.

"They sometimes have problems understanding why we allow demonstrations and criticism of the Government. There seems to be some kind of cultural barrier here," he said.

However, the Governor stressed he was confident the Chinese Government would agree to discuss greater democratization in the territory before it reverted to Chinese rule in 1997, even though it was not on the agenda.

Lord Wilson has also assured his Chinese hosts that his successor, Mr Chris Patten, will continue a policy of co-operation with China.

He said he did not hold detailed discussions about his successor but told them Mr Patten would make a good Governor.

#### Rules Out Airport Plan Scale-Down

HK1006060292 Hong Kong SOUTH CHINA  
MORNING POST in English 10 Jun 92 p 1

[By Kent Chen in Beijing]

[Text] The Governor, Lord Wilson, yesterday ruled out any scaling down of airport projects in order to secure Chinese agreement on financing for the massive development.

He also denied that the Government was prepared to raise reserves set aside for the future Special Administrative Region government from the \$25 billion agreed in the airport memorandum to break the deadlock on project costs.

Speaking at a press conference that wound up his last official trip to Beijing, Lord Wilson said the Government could not treat the airport like building a house and change costs at any time.

"We want a sort of airport that Hong Kong needs to carry out its role as a major commercial and financial centre and as a centre for economic development in South China," he said.

"So we want a good airport and we want to be cost effective."

His comments come at a time when calls are growing in Hong Kong for the administration to cut the cost of projects such as the airport railway.

Under the financial package presented to the Chinese in April, Beijing is concerned at the amount of debt the post-1997 government will be left with as a result of the project.

Chinese officials are unhappy with the soaring cost estimate for the airport railway projects, which has almost doubled from \$12.5 billion to \$22.5 billion in nine months.

They are also concerned about the need to provide callable equity, regarded as debt by China, totalling \$21 billion for the Mass Transit Railway [MTR] and the future Airport Authority.

But Lord Wilson said the increase in costs would be looked after by the MTR and the private sector and so what the Government wanted to do was to make sure the MTR's borrowing arrangement went ahead smoothly.

Asked if the Chinese side would make concessions on the current impasse as a personal favour for his co-operative attitude towards China, Lord Wilson said: "I don't think life is like that."

On whether there was a time frame for a solution to the current disagreement over the financial plan, Lord Wilson said: "There is not an artificial deadline for the Airport Committee under the Sino-British Joint Liaison Group to reach an agreement."

But he added the basic reality was that to go ahead with the next bids of major projects, the Government needed the financial authority of the Finance Committee of the Legislative Council so that was something which officials needed to deal with before signing the contracts.

The Governor confirmed that Chinese Prime Minister Mr Li Peng and his British counterpart, Mr John Major, would touch on the airport issue during their meeting in Rio later this week.

Lord Wilson yesterday flew to Chongqing and will today start a two-day boat trip down the Yangtze River.

### 23d Sino-British Liaison Group To Meet 16-18 Jun

OW1006163492 Beijing XINHUA in English  
1544 GMT 10 Jun 92

[Text] Hong Kong, June 10 (XINHUA)—The 23rd meeting of the Sino-British joint liaison group is scheduled to meet in Beijing from June 16 to 18.

This was announced by the Chinese representative office of the joint liaison group in Hong Kong today.

Present at the meeting on the Chinese side will be Guo Fengmin, senior Chinese representative, Luo Jiahuan, resident representative, Chen Rongchun, Chinese representative and head of the Foreign Affairs Department of the XINHUA news agency Hong Kong branch, Liu Junbao, resident representative, Wang Weiyang, Chinese representative and counsellor in the Hong Kong and Macao Affairs Office under the Chinese Ministry of Foreign Affairs, and some specialists.

### Official Secrets Act To Converge With UK Law

HK1006063892 Hong Kong SOUTH CHINA  
MORNING POST in English 9 Jun 92 p 3

[By Fanny Wong]

[Text] The Official Secrets Act is to be relaxed from June 30 to bring it in line with its 1989 British counterpart, the Government revealed yesterday.

The move was made under order of the Privy Council to liberalise the disclosure of official information, according to a senior government official.

There is no firm plan on when Hong Kong should enact its own legislation to protect official secrets as the matter was still under consideration, said the Deputy Secretary for Security, Mr James Morris.

The change in law will seek to repeal Section 2 of the UK Act of 1911, which covers all official information and provides for penalties for the mere receipt and retention of information by any person.

The new act removes from criminal sanction the unauthorised disclosure of the great majority of official information, including disclosures which might embarrass or inconvenience the Government.

Instead, it restricts criminal sanctions only to six areas—security and intelligence; defence; international relations; information obtained in confidence from other states or from international organisations; information likely to

result in an offence or other related consequences; and special investigations under statutory warrant.

Mr Morris rejected suggestions that the law was intended to muzzle the press.

"It's in no way a press gag. It is not directed at the press *per se* at all," he said.

"It is directed properly at protecting information that needs to be protected."

Mr Morris said enacting a localised legislation on official secrets required consultation with the Chinese Government.

"This (the 1989 version of the act) is a legislation which will not be applied to Hong Kong after 1997 by virtue of its nature," Mr Morris said.

Introduction of a localised law was a complicated process which would need to be considered in conjunction with the rest of the Official Secrets Act already applied to Hong Kong, he said.

"We have to consider consultation with the Chinese over any piece of legislation which we hope to transcend 1997."

The deadline for taking a decision is June 30, 1997 and Mr Morris said the Government would obviously hope to decide on that well become the transition of Hong Kong's sovereignty to Chinese rule.

As a British legislation, the 1989 Official Secrets Act would be immune from challenges under the Bill of Rights and would not be subject to the Letters Patent as well.

Although the act would not be subject to the Bill of Rights, Mr Morris stressed that it did not mean it was incompatible with the human rights legislation.

Mr Morris said the Government was also currently reviewing the Civil Service Regulations (CSR) and the grading system of government documents to ensure they were in line with the spirit of the liberalised act.

The intention was to review the CSR to allow more information to be disclosed.

Conceding that there were occasions where government documents were overgraded, Mr Morris said the Government had been constantly trying to get the message to civil servants at all levels that information should be graded appropriately.

"We obviously want to ensure overgrading is eliminated as much as possible," he said.

A government spokesman said the new legislation focused not on the act of disclosure alone but on the nature of the information revealed as well as the damage arising from that.

The act provided for damage tests and it would be for a court alone to determine whether an offence had been committed, he said.

The prosecution would have to satisfy specific tests of damage for cases involving unauthorised disclosure by most people.

The spokesman said the maximum penalty for offences under the act is imprisonment for two years or a fine of \$500,000, or both.

The Hong Kong Journalists' Association said last night that while the new act showed some improvement on the old version, it still did not go far enough.

It reiterated its call for the enactment of a freedom of information act.

#### Article Attacks Jurists' Report on Hong Kong

HK0506075092 Beijing FAZHI RIBAO  
in Chinese 17 May 92 p 4

["International forum" article by staff reporter Zhang Junli (1728 6511 0500): "Unlawful Move by International Law Jurists—Comments on 'Countdown to 1997' Report"]

[Text] All good, honest, and upright people have expressed a universal welcome to and appreciation for the proper solution by China and Britain of the Hong Kong problem, which was left over from history, through consultations. However, a small number of people harbor malicious intentions, find fault, look for so-called "loopholes" in the Sino-British Joint Declaration, and hurl various censures at China and Britain in an attempt to hinder China from resuming sovereignty over Hong Kong. The "Countdown to 1997" report recently published by the International Committee of Jurists belongs to this type.

According to reports in Hong Kong newspapers, the "report" was written by a delegation comprising "several lawyers who practice international law" after the delegation came to Hong Kong last June to conduct a 10-day investigation and study of several documents on Hong Kong's transfer of sovereignty. These "international law lawyers," who consider themselves no ordinary beings, went so far as to ignore the basic principles of international law, wantonly interfered in Hong Kong affairs, and babbled about "Sino-British talks neglected the Hong Kong people's human rights" and that "the Joint Declaration does not vest the Hong Kong people with the right of self-determination and, therefore, obviously violates international law." They also maintained that Hong Kong should set up a human rights committee to supervise Hong Kong's progress in human rights, and so on.

People in the world all know that Hong Kong has been China's territory from time immemorial and was occupied by Britain after the Opium War in 1840. This problem left over by history has been appropriately



solved by the Chinese and British Governments through talks. The Joint Declaration signed by China and Britain on 19 December 1984 confirms that the Chinese Government will resume sovereignty over Hong Kong on 1 July 1997. It is a transition period prior to this date and Hong Kong affairs are those between China and Britain; Hong Kong affairs will be purely Chinese internal affairs after 1 July 1997. According to the principle of equality in state sovereignty in international law, a country shall not interfere in the internal affairs of another country. Nevertheless, these "international law lawyers" went as far as to disregard the most fundamental principle of international law, overrode the Sino-British Joint Declaration, and made irresponsible remarks. People cannot help asking: What right and power have you to meddle in Hong Kong affairs and to make remarks about and comments on Hong Kong's current and future affairs? The dignified "international law lawyers," however, discarded the principles of international law and perpetrated unlawful acts. Do you not feel that you have brought disgrace on the honorable title of "international law lawyers"?

It is untrue to allege that "the Sino-British talks neglected the Hong Kong people's human rights." The Joint Declaration published by China and Britain through talks and the Memorandum exchanged by the two sides show that China and Britain attach great importance to the Hong Kong people's human rights. The Memorandum reads: "All Hong Kong Chinese compatriots, whether they are holders of the 'British Dependent Territories Citizen Passports' or not, are Chinese citizens." After China resumes sovereignty over Hong Kong, Hong Kong people will possess PRC special administrative region [SAR] citizen status and their citizenship will be provided for and protected by Chinese law. According to the provisions of the Joint Declaration, the Hong Kong SAR will enjoy a high degree of autonomy, which includes administrative, legislative, independent judicial, and final adjudication powers. Regarding Hong Kong compatriots' civil rights, the Declaration reads: "According to law, the Hong Kong SAR protects the rights and freedoms of the person, speech, the press, assembly, association, procession, movement, correspondence, strike, choice of occupation, academic research, religious belief, and others." It also provides: "Private property, ownership of enterprises, legitimate rights of inheritance, and foreign investment are all protected by law." The provisions of the Hong Kong SAR Basic Law regarding the high degree of autonomy Hong Kong is to enjoy and regarding Hong Kong compatriots' civil rights guarantee that the promises made by the Chinese Government in the Sino-British Joint Declaration concerning Hong Kong's autonomy and civil rights will be carried out. It can be seen that the allegation that the Sino-British talks neglected the Hong Kong people's human rights runs counter to the facts. However, crowned with a laurel wreath, the "international law lawyers" obliterated the

facts that China and Britain attach importance to the Hong Kong people's human rights. How can this be a law-abiding action?

The allegation that the Sino-British Joint Declaration "does not vest the Hong Kong people with the right of self-determination" is not false. The Joint Declaration only specifies that the Hong Kong SAR enjoys a high degree of autonomy, not rights of self-determination. This stands to reason because the right of self-determination and autonomy are fundamentally different concepts. Autonomy refers to power conferred on the local government by the central government to proceed with self-administration. The high degree of autonomy that will be enjoyed by the Hong Kong SAR belongs to this local autonomy. However, the right of self-determination is different and refers to the right of an oppressed nation to determine its fate until it breaks away freely and establishes independence. The "International Convention on Civil and Political Rights," adopted by the UN General Assembly on 16 December 1966 and open for all countries to sign, expressly provides: "All nations enjoy the right of self-determination and on the basis of this right, freely decide their political status and freely embark on their economic, social, and cultural development." The "international law lawyers" possibly thought that they had found a legal basis for striving for the Hong Kong people's right of self-determination but forgot a fundamental fact: Hong Kong was seized through unequal treaties by British aggressive wars against China in the last century. In the light of the spirit of international law, the unlawful invasion and occupation of another country's territory by means of unjust war and treaties concluded under the threat of force are null and void. New China has never recognized this kind of unequal treaty, nor has it recognized Hong Kong as a British colony. In a letter to the chairman of the UN Special Committee on Decolonization on 18 March 1972, China's permanent representative to the United Nations stated: "Hong Kong and Macao are the results of a series of unequal treaties imposed on China by imperialism that were left over by history. Hong Kong and Macao are parts of Chinese territory that have been occupied by the British and Portuguese authorities and the solution to the Hong Kong and Macao problems belongs completely as an issue within the scope of China's sovereignty and fundamentally does not belong to the usual category of so-called 'colony'." Furthermore, China has never had a Hong Kong nation, only a Chinese nation. Hong Kong compatriots are members of the Chinese nation, Chinese citizens, as well as citizens of the Hong Kong SAR. I would like to ask, because Hong Kong is not a colony or a nation, why is there a right of self-determination? Is it not sorrowful that the "international law lawyers" have abused the principles of international law?

It was the original intention of people who advocate "self-determination by Hong Kong people" to hinder China from resuming sovereignty over Hong Kong. According to their argument, Britain did not carry out a

referendum in Hong Kong before the Joint Declaration was signed, thus depriving the Hong Kong people of the right to self-determination. To enable Hong Kong people to enjoy the "right of self-determination," the Joint Declaration should be cast aside and Hong Kong people should be allowed to make a decision themselves by ballot. This shows that some people in the world at present really still have fond dreams about the epoch of colonialism. Prior to 1947, after Britain had organized so-called "dominions" in colonies within its jurisdiction, these "dominions" became member states of the British Commonwealth. The "lawyers" who concocted the "report" want Britain to practice so-called "citizens' self-determination" in Hong Kong according to the methods it has used to handle its colonies in the past in an attempt to use this as a pretext to continuously keep Hong Kong under British rule and to hinder China's resumption of sovereignty over Hong Kong. It is a pity that Hong Kong's future is no longer subject to new talks and that the Sino-British Joint Declaration will not be rewritten. China is going to resume sovereignty over Hong Kong soon and this cannot be obstructed by any force. Those who covet Hong Kong and harbor evil intentions can receive nothing other than to revive their previous fond dreams of colonialism. They are advised to be a bit wiser.

#### **Wu Xueqian Receives Hong Kong Travel Delegation**

OW0906133092 Beijing XINHUA in English  
1323 GMT 9 Jun 92

[Text] Beijing, June 9 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with a delegation from Hong Kong Association of China Travel Organizers headed by Ma Chi Man, chairman of the association, here today.

The association, made up of more than 240 travel agencies dealing with China travel service, was founded in December, 1983.

The guests arrived here June 7 at the invitation of China Tourism Association, and they are scheduled to attend the '92 China Travel Fair, which will open here tomorrow.

#### **Confidence of U.S. Investors in Hong Kong Grows**

OW1006012492 Beijing XINHUA in English  
0045 GMT 10 Jun 92

[Text] Hong Kong, June 10 (XINHUA)—An annual business survey organized by the American Chamber of Commerce suggested a significant improvement in short, medium and long-term U.S. business confidence towards Hong Kong and the Chinese Mainland.

The third annual business survey was staged by mailing 1,049 questionnaires to the chamber's corporate members from April 6 to May 8 of this year. Its results was released at a press conference here yesterday afternoon.

In contrast to the 1991 survey results almost exactly one year ago, there has been a major change of opinion toward the overall investment climate of Hong Kong and the Chinese Mainland between now and 1997.

The survey showed that 89 percent of respondents felt the outlook for Hong Kong up to the transfer of its power from U.K. to China in 1997 was "favorable" or "very favorable" versus a 78 percent positive reply last year.

The five-year investment outlook for the Chinese Mainland was even more bullish with 93 percent of respondents expressing "favorable" or "very favorable" versus 70 percent exactly one year ago.

There was also a high degree of confidence regarding the investment climate in Hong Kong and the mainland after 1997.

Some 48 percent of the respondents said they will become more confident in Hong Kong investment climate, 44 percent "about the same," and 8 percent "less confident."

As regard to the mainland investment climate after 1997, 62 percent of the respondents said they will be more confident, 34 percent about the same and only 3 percent less confident.

Most respondents ranked the "economic outlook," "growing domestic market" and "political climate" as the top reasons for their favorable change of viewpoint regarding Hong Kong and the Chinese Mainland.

Asked about their business plans for Hong Kong for the next three years, 56 percent of the respondents said their business will be as usual, 39 percent of them increase investment activities, 5 percent reduce Hong Kong operations and none plans to leave Hong Kong.

#### **Re-Export Volume Up 32 Percent Over '91**

HK1006033892 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
10 Jun 92 p 3

[By Lucinda Horne]

[Text] Re-export volume was 32 percent higher in the first three months of the year than the same period last year, reflecting strong overseas demand for both capital and consumer goods, according to the Census and Statistics Department.

The volume of capital goods re-exported for the first quarter was up 42 percent compared with the same period last year. In March alone re-exports of capital goods rose 60 percent.

Re-exports of consumer goods registered a 33 percent gain for the period.

Import volume also rose sharply, gaining 22 percent over the same period last year.

Imports of consumer goods led the way with a 31 percent increase, followed by capital goods, up 26 percent.

Import volume was up 30 percent in March compared with the same month last year.

But volume of domestic exports for the January to March period was virtually unchanged.

Domestic exports of radios slumped 39 percent during the quarter.

But domestic export volume of travel goods, handbags and similar items was up 26 percent.

Domestic export volume in March was 13 percent higher than in March last year.



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